

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Friday, December 9, 1983**

The Assembly met at 2 p.m.  
Prayers

**ROUTINE PROCEEDINGS**

**PETITIONS**

**CLERK:** — I hereby lay on the Table the following petition by Mr. Sauder of the Saskatchewan Association of Rural Municipalities.

**REPORTS OF COMMITTEES**  
**Special Committee on Regulations**

**CLERK ASSISTANT:** — Mr. Koskie, from the special committee on regulations, presents the second report of the committee which is as follows:

Your committee has examined a total of 252 1983 regulations, thus completing its scrutiny up to October 31 of this year. Of this total, your committee considered 30 regulations specifically drawn to its attention by counsel and it has decided to send comments on 22 of these regulations to regulation-making authorities, inviting them to submit explanatory memoranda to the committee.

The committee has also examined replies to nine ongoing inquiries regarding 1982 regulations and has decided to follow up further on six of these regulations.

Your committee does not wish at this time to draw the special attention of the Assembly to any regulation on the grounds set out in its terms of reference.

Your committee wishes to inform the Assembly that it has decided to implement a verbatim record of its proceedings in order to provide a better means of following up on its investigations and in order to provide a complete record of its deliberations.

**MR. KOSKIE:** — Thank you, Mr. Speaker. I move, seconded by the hon. member from Saskatoon Nutana:

That the second report of the special committee on regulations be now concurred in.

Motion agreed to.

**Standing Committee on Crown Corporations**

**GUEST CLERK:** — Mr. Sveinson, from the standing committee on crown corporations, presented the third report of the said committee which is as follows:

Your committee has agreed to the 1981 and 1982 annual reports of the following corporations: Agriculture Development Corporation of Saskatchewan, Municipal Financing Corporation of Saskatchewan, Saskatchewan Crop Insurance Corporation, Saskatchewan Economic Development Corporation, Saskatchewan Government Insurance, Saskatchewan Grain Car Corporation, Saskatchewan Housing Corporation, Saskatchewan Water Supply Board, Saskatchewan Fur Marketing Service.

Your committee has agreed to the 1982 annual reports of the following corporations:

Saskatchewan Computer Utility Corporation, Saskatchewan Development Fund Corporation, Saskatchewan Forest Products Corporation, Saskatchewan Government Printing Company, Saskatchewan Minerals, Saskatchewan Telecommunications, Saskatchewan Transportation Company.

It is your committee's intention to complete the examination of the reports of the following corporations before the end of the current session: Crown Investment Corporation of Saskatchewan, 1981 and 1982; Potash Corporation of Saskatchewan, 1982; Saskatchewan Mining Development Corporation, 1982; Saskatchewan Oil and Gas Corporation, 1982; Saskatchewan Power Corporation, 1982.

**MR. SVEINSON:** — Mr. Speaker, before moving concurrence to the third report, I would like to make a few comments. First, I would like to thank the committee for its diligence and its vigilance, in many cases, of the many crown corporations that we did, in fact, examine over the last 18 months. I thank them for their participation particularly and, as well, I thank the members of the Legislative Clerk's department also for the help they've given us over that period of time. As the people of Saskatchewan maybe don't know, we are probably the only method of accountability they have with respect to crown corporations. As one official put it, we're the closest thing to a shareholders' meeting the people of Saskatchewan have, who have oftentimes been referred to as just that, the shareholders of the crown corporations, which can be in fact questioned. We're the closest thing they have to accountability. And I just thank the committee for its diligence and its vigilance and the way they've approached that accountability on behalf of the people of Saskatchewan. And I would like at this time to move, seconded by the hon. member from Shaunavon:

That the third report of the standing committee on crown corporations now be concurred in.

**MR. LINGENFELTER:** — Mr. Speaker, I would like to agree with the member for Regina North West, probably the first time I've had the opportunity to agree with him on anything, having been in crown corporations a good number of days over the last year. But seriously, Mr. Speaker, he is right in saying that the crown corporation committee plays a very important role in the process of the Assembly and the working of the government and the opposition.

I do have some concerns with the crown corporation as it presently stands. We will be dealing with, next week I believe, crown investment corporation, which we will be dealing with the annual reports of 1981, 1982. If we don't deal with it next week, when we come back in March or April we'll be dealing with 1981, 1982, 1983. And I think that it's very important that that crown corporation committee come to grips with the fact that we are a good deal behind and is not functioning as I believe it should. I think one other thing that the members opposite, while in opposition, made a great deal of, Mr. Speaker, is television in crown corporations committee. And I would like to say that I agree with the members who were in the opposition at that time that we should be moving very quickly to expand the television which was established in this House by the New Democratic government.

Part of the policy, as well, established at that time that TV would be extended to the committees of public accounts and crown corporations, which hasn't been done. And I say that I hope in the very near future that the Board of Internal Economy will deal with this problem, which has been recommended by a number of people, so that we will have an open government which this government has promised.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** — Order, please.

Motion agreed to.

### NOTICE OF MOTION

**HON. MR. LANE:** — I give notice that I shall on Tuesday next move:

That as Section 38 of The Constitution Act, 1982, provides an amendment to the constitution of Canada may be made by proclamation issued by the Governor General of Canada under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as therein provided, this House hereby authorizes the Governor General to issue a proclamation under the Great Seal of Canada, amending the constitution of Canada as follows:

Section 96(b), subclause (1): Notwithstanding Section 96, the legislature of each province can confer on any tribunal, board, commission of authority other than a court established pursuant to the laws of the province, concurrent or exclusive jurisdiction in respect of any matter within the legislative authority of the province.

Subclause (2): Any decision of a tribunal, board, commission or authority on which any jurisdiction of a superior court is conferred under subsection (1) is subject to review by a superior court of the province for want or excess of jurisdiction.

**MR. SHILLINGTON:** — Mr. Speaker, I give notice that I shall on Tuesday next move first reading of a bill to amend The Residential Tenancies Act, by limiting rent increases to tenants to inflation minus one.

### WELCOME TO STUDENTS

**HON. MR. PICKERING:** — Thank you, Mr. Speaker. It is indeed a pleasure for me this morning to introduce to you, and through you, 16 grade 8 students from the Milestone High School. This group is special to me because they are from my home town and included in the group is my youngest daughter. I hope they find their visit to the legislature here informational and perhaps educational. I know you'll enjoy your stay. I will be meeting with you for pictures in the rotunda area at 11 o'clock, and then for drinks in the downstairs members' lounge. Also included, chaperoning the group, Mr. Speaker, is their teacher, Mavis Hadfield. I would like all members to wish them a pleasant stay here and a pleasant journey back home.

**HON. MEMBERS:** Hear, hear!

### INTRODUCTION OF GUESTS

**MR. SVEINSON:** — Mr. Speaker, it's my pleasure this morning to introduce some very distinguished guests who are with us in the Speaker's gallery. With us we have, with the Regina Fire Department, Mr. E.C. "Bun" Allin, acting deputy chief — Bun, I'd just like you to stand up; Mr. Les Parker, the battalion chief from Saskatoon; Mr. John F. Macdonald, who is the Saskatchewan fire chiefs' association training committee chairman; Mr. Murray Fisher, provincial fire chief commissioner; and also with the group, a man who needs no introduction, the chairman of our new select committee on fire prevention, Mr. Ralph Katzman.

**HON. MEMBERS:** Hear, hear!

**MR. SVEINSON:** — These gentlemen are meeting with the select committee on fire prevention and the press at one o'clock this afternoon, and will field questions regarding that new committee. I hope your stay in Regina, with the exception of Bun Allin, is a happy one and I hope

that our committee, which I am also a member of, performs in the way that we expect it to over the next two or three months. Thank you very much.

### QUESTIONS Rent Increases

**MR. SHILLINGTON:** — Thank you, Mr. Speaker. A question to the Minister of Consumer and Consumer Affairs, who has taken her seat again. It has to do with the rent control program which controls rent increases and approximately 15,000 rental units in Regina and Saskatoon. In public accounts on December 9, '82, we were informed that the rent increases averaged 13 per cent. That figure was confirmed again in estimates in April by the then minister. Can the minister, whose department is responsible for the rent control program, confirm that since April '82, when that figure was given to us by your predecessor, and September 1 of this year, rent increases approved by your department in these two cities continue to average more than twice the rate of inflation?

**HON. MRS. DUNCAN:** — Mr. Speaker, . . . (inaudible interjection) . . . That's beside the point. Mr. Speaker, I would like to say to the hon. member in response to what I would consider a very foolish question: yes, the rental increases are averaging in the neighbourhood of 12.6 per cent. I am gravely concerned, Mr. Speaker, about these increase. Unfortunately, the rent increases are based on a very specific formula that was implemented by the members opposite when they were in government.

**MR. SHILLINGTON:** — Well getting to the formula in a moment, in a supplementary. Will the minister agree that the rent increases were double the rate of inflation during this summer and this fall? Will the minister agree with that fact before we continue?

**HON. MRS. DUNCAN:** — I agree with that fact. Unfortunately, Mr. Speaker, the way the law goes, we are bound by certain things in regulation and legislation. And I also might add, Mr. Speaker, that when we took over government, we had no information as to how many units were under control. We had no data gathering basis in the department; that has been instituted. I also might indicate to the member, should we be sitting next week, by way of a ministerial statement or by way of a press conference a very major announcement shall be made.

**HON. MR. BLAKENEY:** — Will the minister admit, and I think she already has, that the formula which she is applying in 1983 is the same formula which was instituted in 1981.

**HON. MRS. DUNCAN:** — I just said that, Mr. Speaker, and that's what causes me concern because the formula that was put in place in 1981 is what is the clause of the increases in the neighbourhood of 12.6 per cent.

**HON. MR. BLAKENEY:** — Further supplementary, Mr. Speaker. Will the minister admit that at the time that formula was put into effect, one of the major costs of any landlord, that is the costs of money, was at a prime rate of interest, 17.25 per cent, whereas now the prime rate of interest is 11 per cent, and you in 1983 have been applying the same formula based upon over 70 per cent interest rates at a time when there were only 11 per cent interest rates? Is that true?

**HON. MRS. DUNCAN:** — That is not true.

**HON. MR. BLAKENEY:** — Madam Minister, are you denying that when this formula came into effect in November of 1981, the prime interest rate was 17.25 per cent, and are you denying that the prime interest rate now is 11 per cent?

**HON. MRS. DUNCAN:** — That isn't the only thing that goes into the formula. I believe the cause of the major increases is what is referred to as the economic adjustment factor.

**HON. MR. BLAKENEY:** — But the question I direct to the minister is this: why are you maintaining a November, 1981 formula in November, 1983, when interest rates, a major component of the costs of being a landlord, have dropped by 50 per cent?

**HON. MRS. DUNCAN:** — Mr. Speaker, you just don't change things overnight. We have done a very intensive study of all controls across the country. I might also add, Mr. Speaker, Saskatchewan is the only jurisdiction that has rent controls, as opposed to rent reviews, where the landlord under rent control must come to government for approval of any increase, whether it's a dollar or \$10 or whatever.

The formula in place has many, many factors to it. I might also add, Mr. Speaker, that the economic adjustment factor, when it was implemented in 1981, was implemented, I would say, incorrectly, and the basis of the percentages allowed were done in haste and done without any future thought. There's no flexibility in the formula as it stands today, Mr. Speaker.

**HON. MR. BLAKENEY:** — Supplementary, Madam Minister. Are you advising the House that a formula, which you think is a bad formula, has been the formula imposed and used by your department for 20 months, without change?

**HON. MRS. DUNCAN:** — Mr. Speaker, as I indicated, my department has been working extremely hard in this area. We have talked to landlords; we have talked to tenants; and the announcement that I make next week will provide for flexibility and equability and fairness.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — A further supplementary, Mr. Speaker. Madam Minister, do you not agree that the formula in 1981 and 1982 meant rate increases below the rate of inflation, but while you have maintained and you have continued to maintain that formula in 1983, when it has produced rate increases at close to double the rate of inflation?

**HON. MRS. DUNCAN:** — No, Mr. Speaker, because if my memory serves me correctly, the rate increases in 1981 were in the range of 11 per cent. In 1982 they were in the range of 12 per cent. This year they're running at 12.6 per cent.

**HON. MR. BLAKENEY:** — A further supplementary, Mr. Speaker. Madam Minister, will you concede that the consumer price index in Regina in 1981 was 11.7 per cent, and in Saskatoon in 1981, 11.7 per cent, and that, accordingly, 11 or 12 per cent increases are at about the rate of inflation, and will you now agree that in 1983, with an inflation rate of 6 per cent, you are permitting rate increases of 12 per cent?

**SOME HON. MEMBERS:** Hear, hear!

**HON. MRS. DUNCAN:** — Mr. Speaker, I don't necessarily agree with the hon. member, because I can only reiterate that the formula that was put in place under their administration was very specific on the percentage of costs that could be passed through to the renter. Now the discrepancy, Mr. Speaker, did not rear its ugly head until this year. And when we went looking at the formula at an intense way, we found that there was no flexibility in the present formula. The formula that we will be bringing in, the changes that we will be bringing in, will have the flexibility that we need. And I can only say that we are bound by the legislation, and when I took over this portfolio, that's been an important area that I've been looking at.

**MR. SHILLINGTON:** — Mr. Speaker, a question. Madam Minister, if you know what you're going to do, why do you not make the announcement this week when the House is in session, instead of waiting until next week till this House adjourns to stipulate what I predict will not be a very popular measure?

**SOME HON. MEMBERS:** Hear, hear!

**HON. MRS. DUNCAN:** — Mr. Speaker, I would prefer to make it by way of a ministerial statement. If we're in the House next week, I will share the information with the member.

**MR. SHILLINGTON:** — New question, Madam Minister. Madam Minister, will you admit that this formula is set by cabinet and can be changed at any time?

**HON. MRS. DUNCAN:** — No, I won't.

**MR. SHILLINGTON:** — I am sorry. I did not hear the minister's answer. Did you say no?

**HON. MRS. DUNCAN:** — I said no.

**MR. SHILLINGTON:** — Well, Madam Minister, then would you . . . Are you telling us you're going to bring a bill before the legislature to set this rent increase?

**HON. MRS. DUNCAN:** — No, I'm not.

**MR. SHILLINGTON:** — Madam Minister, you are playing games with this House. The formula is set by Executive Council, Madam Minister. Madam Minister, will you not admit that rent increases, which are double the rate of inflation, make a mockery out of an anti-inflationary program of inflation minus one announced by your government last year?

**HON. MRS. DUNCAN:** — No, I think it makes a mockery out of the kind of things that you did when you were in government. You did things without any forethought.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Well, would Madam Minister mind explaining for the benefit of the opposition why you could not have changed this formula sometime in the past — why it could not have been done until next week when the House will not be in session?

**HON. MRS. DUNCAN:** — Well, you're presuming the House won't be in session. The main reason we haven't made a change is because we had to have a firm data base from which to work, which there was no mechanism in place in the department to draw on the kind of informations that we require.

### **Introduction of Accessibility Legislation**

**MR. SHILLINGTON:** — Mr. Speaker, a question to the Minister of Labour, the man who can't seem to get anything right. I have a Telex, Mr. Minister. I have a telex, Mr. Minister, from the Provincial Accessibility Committee of Saskatchewan, and it says that the accessibility legislation which you introduced in this Assembly is a botched job and should not be passed in its present form. Mr. Minister, my question is: did you not even have the common sense and decency to consult with people like the provincial accessibility committee prior to introducing the legislation? You certainly took long enough to introduce it. A version of the same legislation was introduced by the former government. Mr. Minister what went wrong?

**HON. MR. McLAREN:** — Mr. Speaker, nothing went wrong. We had representations on the review committee which was chaired by a member of our Department of Labour. That was on the go for many, many months prior. We have introduced the legislation, and we have a number of months to look at any criticisms or amendments that might be able to come. But we did talk to many, many groups — the handicapped groups, architects, designers. We covered the whole gambit.

**MR. SHILLINGTON:** — New question. I can believe, Mr. Minister, you talked back to me. It doesn't seem however, that you were listening, because they are not very happy with what you have brought forward.

Mr. Minister, will you confirm that this legislation will be corrected and passed before the Christmas adjournment?

**HON. MR. McLAREN:** — No, Mr. Speaker, we're not intending to pass the bill before the Christmas break because we've tabled it; people have copies of the draft legislation now. They will have two or three months to go through it with the various groups. I've had some groups up to my office already. They're happy with the bill.

**MR. SHILLINGTON:** — Mr. Minister, will you not admit that virtually every group which represents handicapped people do not want any further study? They want legislation passed now which meets their needs.

**HON. MR. McLAREN:** — Mr. Speaker, we're wanting to make sure that it is what is covering the middle-of-the-road needs of everyone that is out there. And we are going to be listening over the next two or three months and make any amendments that they might want. But we're not going to ram it through without them having the opportunity of seeing the legislation.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — New question, Mr. Speaker. No one has accused you of ramming accessibility legislation through anything, Mr. Minister. That is a charge against . . .

**MR. SPEAKER:** — The member from Regina Centre has, in the last three questions, been making speeches before he asks his question. I would ask him to refrain from that practice, and if you have a question get directly to it.

**MR. SHILLINGTON:** — My apologies, Mr. Speaker. Members opposite seem to inspire a speech. My question, Mr. Minister, is: why do the disabled people of Saskatchewan have to wait to spring to get justice?

**HON. MR. McLAREN:** — Mr. Speaker, why did you wait 11 years to not do anything? At least we've done it within a year and a half, and we've got legislation tabled for the people out there to have a look at.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Minister, since you avoid the question, let me ask it again. Why do the disabled have to wait till spring to get justice?

**HON. MR. McLAREN:** — Well, Mr. Speaker, they are going to have the chance to put the input in to cover any injustices that might be out there. And that's what we're going to do, is listen for three months, and pass the bill in the spring, and make any changes that are going to be necessary, or any amendments.

**SOME HON. MEMBERS:** Hear, hear!

### **Number of Workers on Minimum Wage**

**MR. LINGENFELTER:** — Mr. Speaker, a question to the Minister of Labour. It has to do with another important issue that he has been trying to deal with, but not doing a terribly good job. My question deals with a meeting that you had with the action committee on the status of

women yesterday, a meeting at which you informed them that you did not know how many people were on minimum wage, and how many were women, in fact, how many were single parent families.

I wonder if you will inform the House whether you have taken the time to find out, and give us a report on the numbers of people on minimum wage in each of those groups.

**HON. MR. McLAREN:** — Mr. Speaker . . .

**MR. SPEAKER:** — Order, please. Would you give the hon. minister an opportunity to answer your question?

**HON. MR. McLAREN:** — Mr. Speaker, I have already advised the House that we are doing a survey of the province to find out, in fact, the truth about how many people are on minimum wage. We are getting thrown out numbers of 40,000, 60,000, and I'm not too sure whether those are correct or not. We are going to find out. Then we know what we're talking about.

I'd like to tell the members opposite that we have already started, and I've done a little surveying myself. And I went to a department store; I went to a Dairy Queen; I went to a leather goods shop; I went to a dry-cleaning shop. And do you know that there was not one person out of all those groups that I called on that had a person on minimum wage.

**MR. LINGENFELTER:** — Mr. Speaker, the minister seems to be taking a leaf out of the book of the minister from Alberta and doing a private survey. I would like to ask him a very serious question, in mentioning a survey. Is he telling the Assembly that he has frozen the minimum wage of about 60,000 people in this province without knowing . . .

**MR. SPEAKER:** — Order, please. Order. The members from both sides of the House have been very unruly this morning, and I would ask for some decorum.

**MR. LINGENFELTER:** — Mr. Speaker, I was asking a question about a survey that the minister is proposing. I would like to ask him why he has waited 20 months to find out how many people he has frozen the wages of. And why are you waiting till now and why are you doing such a haphazard of a survey on such an important issue?

**HON. MR. McLAREN:** — Mr. Speaker, I'm not doing a haphazard survey. We are going to set up . . . (inaudible interjection) . . . that was just for my own information. We are going to do a comprehensive survey of the province and it's got to be done within one or two weeks, because people start at \$4.25 an hour. It's not a maximum wage; it's a starting wage. And the general payroll wage guide-lines that people have in their places of business is that they may start some at 4.25 an hour, but within two months they may be at 4.60 an hour, and in another six months they may be at 4.80 an hour. That's what we have to find out: how many are actually starting on minimum wage and how many stay on minimum wage? And I'm beginning to think that maybe the number isn't that high.

**MR. LINGENFELTER:** — Mr. Speaker, I wonder if the minister will inform the Assembly when it occurred to him, after being in government 20 months, that he should find out how many people he has frozen their wages and put them under the deep-freeze in Saskatchewan? When did you decide that it might be important to know how many people would have their wages frozen? Did that happen yesterday or last month? When did you decide that you would do this survey?

**HON. MR. McLAREN:** — Mr. Speaker, I'd like to suggest that the 60,000 numbers that the opposition are throwing around are guesses also and that they never went out and actually found out how many were actually on minimum wage either. We are going to do that comprehensive survey so we know what we're talking about, and maybe you'll know what you're talking about too.

## Two-tier Wage System

**MR. LINGENFELTER:** — Mr. Speaker, I would like to ask a new question to the minister. At the same meeting that he had making these other great statements, he also mentioned, and I quote from a person who attended the meeting who said the minister said the following words:

If you were to freeze the minimum wage, maybe young people would better appreciate the value of money.

But what I'd like to ask you, Mr. Minister, is whether or not this is the first indication that you intend to establish a two-tier minimum wage system where young people, university students, will be expected to earn less money on minimum wage than the rest of the society.

**HON. MR. McLAREN:** — Mr. Speaker, I could have done that last year, because the recommendation came from the minimum wage board that we should have a two-tiered system. Every province in the country has two-tiered systems, but we chose not to go the two-tiered system route.

**MR. LINGENFELTER:** — Final supplementary, Mr. Speaker. I understand that you haven't yet created a two-tiered system simply because you've frozen it for two years. But after your statement of yesterday to the action committee on the status of women where you say that you would favour a minimum wage different for students and young people and other people are you now intending to move in that direction?

**HON. MR. McLAREN:** — Mr. Speaker, the answer is no. I still personally believe, though, that children that are out there at 15, 16 years of age have not got the experience and that to be able to demand a wage of \$4.25 or \$4.50 or \$5.00 an hour. And it may be a good idea for our young people to have a job at \$3.50 an hour and get to know what work is all about and what money is all about.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Speaker, a question to the minister. Will you confirm what has become painfully obvious to the House this morning — that this is nothing other than a flimsy excuse, this survey is nothing other than a flimsy excuse to postpone any increase in minimum wage to some indefinite period in the future. Will you admit this is just an excuse to postpone an increase in the minimum wage?

**HON. MR. McLAREN:** — Mr. Speaker, I don't know if or when we will do anything with the minimum wage. We've got to remember that it isn't the maximum wage. People can start at \$4.25 an hour and then get their own increases through merit and length of service and so on.

**MR. SHILLINGTON:** — Supplementary, Mr. Speaker, supplementary. When does the minister expect to complete your tour of leather shops, retail stores, hardware stores, so that you may know . . . Dairy Queens, so that you may know the facts about minimum wage? When do you expect to complete this survey, Mr. Minister?

**HON. MR. McLAREN:** — I've already finished my little individual survey but my department will be done by early spring.

**MR. SHILLINGTON:** — Mr. Minister, will you confirm that you will complete your tour by spring so that we may at least deal with the minimum wage in the spring? Will you confirm that your survey will be completed?

**HON. MR. McLAREN:** — Well, Mr. Speaker, when our minimum wage is the top minimum wage

in North America, we're not taking a back seat to anyone right now.

**MR. SHILLINGTON:** — Yes, through no fault of your own, Mr. Minister. Mr. Minister, I ask you the same question. I was less interested in whether we had the top minimum wage in Canada than when you're going to complete this survey of leather goods, retail stores, hardware stores, sex shops, etc., etc. When are you going to get finished and when are we going to get the minimum wage increased?

**HON. MR. McLAREN:** — Mr. Speaker, I've told you that we would have the survey ready by spring. I said we'd have it ready by spring.

### **Offering of Saskatchewan Bonds**

**HON. MR. BLAKENEY:** — Mr. Speaker, I direct a question to the Premier. I am referring to a leaflet put out by Commercial Union Insurance which reviews the financial transactions. It's a monthly bulletin of Commercial Union in Toronto. It's the September bulletin. I would direct this question to the Minister of Finance but he is not available. It points to bond offerings by the Government of Canada, and says, "All these offerings sold reasonably well." Then it goes on to say:

A disastrous effort this week at efficiently distributing a new issue was made by the province of Saskatchewan and all their little helpers. In return for \$125 million, the province offered a five-year, 11.5 per cent bond priced at 99.625. There were apparently hardly any cash buyers for this issue. There even seemed to be few yesterday when the bonds were available at 98.625. (And it goes on to say) After the Saskie fiasco, issuers of new debt have hopefully come to realize that there is more to marketing an issue than noting an uptake in the U.S. treasury market and throwing something out priced according to some weird, but less than wonderful, relative yield chart.

The question which I want to direct to the Premier is this: will he advise the House that steps have been taken to see that Saskatchewan does not again become the laughing-stock of the financial community?

**HON. MR. DEVINE:** — Mr. Speaker, I haven't had the opportunity to see that report and . . .

**MR. SPEAKER:** — Order. Order, please. I'm going to caution the members that talking throughout the answer is not permitted and I would ask for some silence.

**HON. MR. DEVINE:** — Mr. Speaker, I haven't had an opportunity to review that report, Mr. Speaker, and I'm not the Minister of Finance. When I have the information, I will be glad to report back to the House. As far as I know, the policies we're carrying on with respect to those marketings are the same as were in place with the previous administrations.

### **MINISTERIAL STATEMENTS**

#### **Population Growth in Saskatchewan**

**HON. MR. DEVINE:** — Mr. Speaker, the history of the province of Saskatchewan can be compared in many cases to a history of a family. Like a family, a province starts from a small base and grows, and evolves. It moves from childhood to adulthood. A family is not a static institution, Mr. Speaker, and neither is the province of Saskatchewan. Different generations come to face a province, just as different generations add to the history and accomplishments of our families. Just as there are many milestones and landmarks in the life of a family, so there are many in the history of a province.

Today, Mr. Speaker, I'm pleased to announce that Saskatchewan has reached a new milestone. According to information from Statistics Canada, I can tell this Assembly, and indeed the people of Canada, that the population of Saskatchewan today has reached 1 million people.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. DEVINE:** — It's been, as they say, Mr. Speaker, a long time coming. Saskatchewan has experienced its ups and downs in population trends. Between the years 1905 and 1931 our province's population increased rapidly, from 236,000 to 930,000 people. Then it gradually fell to a low of 831,000 in 1951. It didn't return to the 900,000 level until 1959. Since 1974, the rate of growth has averaged just 1 per cent per year. Now there is a spurt on, Mr. Speaker. That spurt has brought us to one million mark here in the province of Saskatchewan.

First of all, I would like to congratulate the person who was the one millionth resident, which will soon be announced. That person could be a new-born baby with an entire lifetime ahead. He or she could be one of Saskatchewan's native sons or daughters returning home after, perhaps, years of living in another province. Or that person could be a native of another province to the west or to the east who has come to make Saskatchewan his or her home. Whatever the case, Mr. Speaker, I would like to say that that person . . . to that person that you are very, very welcome in the province of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. DEVINE:** — The future belongs, Mr. Speaker, to you, the one millionth person and to Saskatchewan.

While congratulating our latest newcomer, I would also like to pay homage to the pioneers who laid the foundation of our province so many years and so many decades ago. We, today, are the beneficiaries of their vision and their hard work and their foresight. Our pioneering families came to this region even before it was named Saskatchewan and suffered many hardships of climate, geography, and missed families and friends in other parts of Canada and, indeed, the world. In fact, Mr. Speaker, they didn't even know if they would see their relatives again. But because they wanted to build a better life for themselves and their children, they came to the province of Saskatchewan. The fact was . . . the fact is, Mr. Speaker, that we are here today and it shows that their quest was successful.

The hard work, tenacity, and initiative of our pioneering families has given us a province in which all of us have the opportunity to fulfil our dreams, reach out and grasp the opportunities and challenges on the horizon. The efforts of our pioneering families and the hardships they withstood have give us a heritage of which we can proud. They have left us a rare and valuable testament.

So, Mr. Speaker, while congratulating our newest resident, I also want to pay tribute to the pioneer families who made this all possible. Today, as always, Saskatchewan is on the verge of great things and they will accomplish those things because of the people within its borders.

I'm sure all of us here, Mr. Speaker, in this Assembly today believes that nowhere else in Canada are the opportunities as unlimited as in the province of Saskatchewan. Our residents are our greatest natural resource. Their energy, their vitality, their many talents are what will enable our province to reach its full potential.

To our latest resident, Mr. Speaker, and to all residents of Saskatchewan, might I say I wish you well.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — I'm pleased, Mr. Speaker, to rise to comment upon the statement made by the Premier. I do not have a copy of it so will not be able to relate to the specific . . . (inaudible) . . . of the comments made by the Premier, but I will make a few comments.

I do welcome the fact that Saskatchewan's population is continuing to grow. We certainly are pleased at that. We are certainly pleased that there is that indication of vibrance in our economy. There are a goodly number of indications of lack of vibrance and we are pleased that the population continues to grow.

As the Premier outlined, the population of Saskatchewan fell during the years of the 1930s and the war years, then grew consistently and steadily from 1946 until 1966 or 1967. Then, under the benign guidance of an open for business government, the population of Saskatchewan began to drop. And it dropped until early in the 1970s, when it began to increase again and it has increased consistently since about 1973. And we now have seen it rise from approximately 900,000 people in 1973 to 1 million now. And we are delighted that that indication of the growth and prosperity of our province in the last decade has been acknowledged by the Premier and has been acknowledged by the hard fact that the province is continuing to grow.

The growth in population has been paralleled, indeed even exceeded, by the growth in material wealth and economic activity. And we, on this side of the House, can only hope that that economic activity continues. We regret that there has been a substantial decline in the relative level of economic activity and a substantial increase in population. It may well be that the millionth person would turn out to be someone who lives in northern Saskatchewan, who is living in circumstances which are much worse than would have been the case had he been born five years ago. That we will not know until we know which is selected by the Premier as the millionth inhabitant.

We do welcome this evidence of continued growth and hope that the government will acknowledge that, with that growth in population, the government has an obligation to provide jobs and economic activity for those people. And we would expect the government to discharge that obligation in a manner which is worthy of the trust of Saskatchewan and in a manner which would be equal to that which was shown in the 1970s when we had unemployment rates as low as 1.9 per cent.

### **Crown Sale of Petroleum and Natural Gas Rights**

**HON. MR. SCHOENHALS:** — Mr. Speaker, it gives me pleasure to arise behind the excellent news the Premier has given us regarding an increased rate of growth in this province, and to provide some of the answers that the Leader of the Opposition has asked for in terms of economic growth in the province.

It's my pleasure today to announce the results of the Crown sale of petroleum and natural gas rights held on Tuesday, December 6. The previous record, as you will remember, Mr. Speaker, was \$28.9 million, established in our last Crown sale held in September of this year. In this sale, however, bids totalling \$48,925,116.80 . . . (inaudible) . . .

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. SCHOENHALS:** — Mr. Speaker, I believe part of that number got lost in the applause. The number is \$48,925,116.80 — almost 49 million. Total revenues to the province in our four sales this year have reached \$108,350,000, which is also a record over the 30 years that the province has held land sales.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. SCHOENHALS:** — Mr. Speaker, the 1983 results are particularly gratifying to us in

two important ways. First, the revenue received directly offsets reductions in revenue which would otherwise have suffered through the decline in the world oil prices in the past year; secondly, the real benefit in extensive land purchases is that they provide a useful barometer of oil and gas activity for the future.

The parcels purchased in this sale will be drilled in 1984, thus continuing the high level of drilling activity experienced this year. Indeed, Mr. Speaker, despite high levels of production in 1983 we expect, for the first time in 15 years, to add a net addition to our petroleum reserves.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. SCHOENHALS:** — Mr. Speaker, what are the benefits of this land sale on our drilling activity? Firstly, jobs. In 1983 we project that the drilling activity has generated over 1,000 new direct jobs. This land sale will help generate more jobs in 1984.

Secondly, that drilling activity in 1983 has generated over \$500 million of new investment in the province, at a time when other jurisdictions and other sectors are not doing nearly as well. This, again, will continue through 1984.

Thirdly, spin-offs — spin-offs not only benefitting pipe sales, drilling . . . (inaudible) . . . sales, cement sales, but also the small business man, consultants, service contractors, hoteliers, hardware stores, etc. These, too, are generating equipment and more investment.

Finally, as I mentioned, this activity has identified new pools of oil, generating a real net addition to our petroleum reserves. Instead of a dwindling resource, we are generating an increase in our energy production capacity and the revenue that it brings to future generations.

Mr. Speaker, not only is this an economic plus for us today, but tomorrow as well. I would like to mention a few of the highlights of a sale. Three exploration permits were sold for an aggregate price of \$3,016,487.67. Eleven drilling reservations were sold for an aggregate price of \$11,094,539.06. And 344 leases were sold for an aggregate bonus of \$34,814,090.07. It is also noteworthy that recent Crown sales in Alberta and Manitoba netted \$24.6 million and \$6.8 million respectively. I believe this clearly demonstrates that the industry considers Saskatchewan to be the highest priority for this investment in drilling activities.

I would also like, Mr. Speaker, while I'm on my feet, to bring the House up to date regarding our drilling activity. Having surpassed the old record for total wells drilled of 1,498 in November, the total wells drilled as of December 8 has now reached 1,675.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. SCHOENHALS:** — An increase, Mr. Speaker, of 200 wells over the previous 1980 record year. I would like to point out that we refer to the total number of wells drilled, both oil and natural gas — not just oil or just natural gas. On this basis, Saskatchewan drilling has more than doubled last year's total compared with Alberta and Manitoba, where drilling activity has increased only marginally.

In 1984, Mr. Speaker, oil and gas investment revenues and employment can be expected to increase. Most importantly, we are demonstrating capital growth for the people of Saskatchewan can be expected to continue as a direct result of the economic policy of this government. I'm sure the members join me in looking forward to further good news of the development of our resources.

Mr. Speaker, I would like to indicate as well, when the Leader of the Opposition responded to the drilling announcement I made early in the year, he took some numbers, I might say slightly out of context, out of *Oilweek*, indicated that it was in fact a very reliable source. I would

recommend *Oilweek* to the members of the press and to all the members of the legislature. This latest edition on drilling report, I could read line after line about what is happening in Saskatchewan from it, but rather I would suggest that everyone read the total article and make your own decisions. Thank you, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Mr. Speaker, I would like to make three points related to the long statement made by the Minister of Energy and Mines.

Firstly, we are of course delighted that the land sale has yielded a substantial sum of money. It would have been surprising, not say shocking, if that had not happened, having regard to the drop in royalties. After all, a land sale is the right—what the person buys is the right – to drill wells and to take all the oil from those wells, subject only to the royalty rate. And if you lower the royalty rate, your bonus bid will inevitably be higher, just as surely as if there was a bonus bid to rent a house, and I said, “You may pay a bonus bid to rent this house at \$500 a month or a bonus bid to rent this house at \$1,000 a month,” and if I lowered the rent from \$1,000 to \$500, the bonus bid would inevitably go up. Just as surely the bonus bid has gone up, and I’m pleased to know that we get some partial one-time return for the very substantial cut in royalties which we are going to suffer for the period in advance.

**AN HON. MEMBER:** — Then give it away, give it away, no royalty.

**MR. SPEAKER:** — Order, please. Order, please. The Leader of the Opposition has the floor. Give him the opportunity to speak.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — The second point I want to make is with respect to drilling. It is well known that there is a glut of natural gas on the North American market. It is well known that natural gas sales are low and, as result, the drilling of natural gas wells is low. I invite all hon. members to compare the oil well drilling in Alberta and Manitoba and Saskatchewan, and they will find that the oil well drilling has increased in all three provinces, and not marginally, but significantly. And in fact, the increase in oil well drilling in Saskatchewan in 1983 is less than the increase in oil well drilling, calculated by number of wells, in Alberta. I invite all hon. members to look at the periodical which was recommended by the minister.

The third point I make is this: with respect to the yield received by the Crown of more than \$100 million for bonus bids this year, I hope we will hear no more comments that there isn’t enough money to proceed with the regeneration of hospitals; there isn’t enough money to proceed with nursing homes; there isn’t enough money to proceed with highway construction; when the getting of \$108 million by the sale of the public domain, surely that ought to be translated, translated into hard assets which the people of Saskatchewan can enjoy for many years to come. And I invite the government to get going on some of these projects – hospital, rehabilitation centre, and the rest – which will provide some jobs for Saskatchewan people and some assets for far into the future, since they have lost their oil assets by sale by the minister.

**SOME HON. MEMBERS:** Hear, hear!

## INTRODUCTION OF BILLS

### Bill No. 24 – An Act to repeal The Construction Industry Labour Relations Act

**HON. MR. McLAREN:** — Mr. Speaker, I move first reading of a bill to repeal The Construction Industry Labour Relations Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

**Bill No. 25 – An Act to amend The Workers' Compensation Act, 1979**

**MR. SHILLINGTON:** — Mr. Speaker, I move first reading of a bill to amend The Workers' Compensation Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

**ORDERS OF THE DAY**

**MOTIONS FOR RETURNS (Not Debatable)**

**HON. MR. McLEOD:** — Mr. Speaker, I move that Motions for Return (not debatable) numbered 1 to 31 be converted to Motions for Return (debatable).

**MR. SPEAKER:** — Motions for returns 1 to 31, debate.

**GOVERNMENT ORDERS**

**SECOND READINGS**

**Bill No. 22 – An Act to provide for the Postponement of the Tabling of Certain Documents**

**HON. MR. McLEOD:** — Mr. Speaker, on behalf of my colleague, the Hon. Mr. Garner, Minister of Highways and Transportation, I would like to introduce second reading of an Act to amend The Vehicles Act, 1983. As you will recall, Mr. Speaker, my colleague introduced a new Vehicles Act in this legislature last spring, and it received unanimous endorsement.

I should also bring to the Assembly's attention the fact that the minister has made it clear that the . . .

**MR. SPEAKER:** — Order, please. The item called was item 2, Bill No. 22. Is that the one the member was wanting to speak on, or did you want to speak on the other bill?

**HON. MR. McLEOD:** — It's no problem, Mr. Speaker, but certainly I could speak on Bill No. 22, if you like. Okay. My order that I have before me was in a different order. I apologize to the House for that.

As it relates to Bill No. 22, the bill which provides for the postponement of the tabling of documents, I've discussed this with the House Leader of the opposition. It's a bill that's an exact replica, Mr. Speaker, of a measure that was passed by this House, I believe, in 1973, 1975, and I believe in 1978. What it really provides for is, because this is now the 15th sitting day, and it would provide for documents to be tabled, that this bill would provide for certain annual reports to be provided to the House at any day during this session.

**MR. LINGENFELTER:** — Mr. Speaker, I would like to say a few words on this bill, and move adjournment of it when I complete my remarks. I find it a little disturbing that we would be dealing with a bill like this at this session, given the fact that we, on this side, believe that the documents could, and should, have been tabled. But at any rate, I think, the larger concern is the fact that in the past, when bills such as this have come forward, the tradition has been, at least in the majority of cases, that a deadline of 45 days were written into the bill. I think that was done with good reason, Mr. Speaker. It set a date, changed from day 15 to day 45, the time line that a government, either the first year after an election or for some unusual circumstances, would have in order to table their documents.

I find it amazing that after this government has been in power for 20 months, they still do not have their act together to the point where they can get the documents tabled in this House that are necessary, both for the opposition to do their job, and for the public to know what is going on in the line departments.

I think as well, Mr. Speaker, that there has been a change in the mood of the Assembly. And I referred to it earlier today, in dealing with crown corporations, that we are far behind in working in that committee. I think in the Assembly there has been a change as well, where the tradition has been to go through the session, beginning in the fall, having a 15-day sitting, coming back in the end of February and sitting for another 40 or 50 days and then proroguing the House.

But what has been established by this government is: that isn't the tradition. What we do now is: we come in; we sit at any time of the year; the session goes on for the full scope of the year. So what we are saying, by passing this bill, is that the documents do not have to be tabled, if we go by last year's tradition, until the session resumes the next year. So, in fact, we could go through a whole session, go through estimates, budget, the whole process of the Assembly, and never seeing the annual report of a major department, Health, Social Services. For that reason, Mr. Speaker, I have some great difficulties in supporting this bill, as I'm sure my colleagues do. And I therefore want to look at it closer, check out why the reason that we would want to wait a whole year for the tabling of documents. I therefore beg leave to adjourn debate.

Debate adjourned.

### **Bill No. 23 – An Act to amend The Vehicles Act, 1983**

**HON. MR. McLEOD:** — Thank you very much, Mr. Speaker. As I was saying, I'm moving second reading of this bill on behalf of my colleague, Mr. Garner, the Minister of Highways, and it's second reading of an amendment to The Vehicles Act.

Mr. Garner, at the time of the passage of that Vehicles Act, made it very clear to the House, and to all the people of the province, that that passage and the enforcement of the new act was only the beginning of a new approach to transportation leadership in our province. I'm pleased to say, for my hon. colleague, that the few housekeeping adjustments to the act being given second reading today signals the start of a process of review and refinement for the legislative basis of all traffic safety and control in the province of Saskatchewan. In that light, the Hon. Mr. Garner assures this Assembly that more substantial refinements will be tabled in the spring session. In keeping to his commitment to review and refinement, the minister also assures the people of Saskatchewan that they will be consulted on those sections of the act they are concerned about, or policy changes that he may propose.

Mr. Speaker, I need only bring to your attention the efforts of that department in regard to the school bus safety review committee that is chaired by the Minister of Highways and Transportation. That is proof of the sincerity of the department, of the sincerity of this government in keeping our commitment to consult the Saskatchewan public.

Mr. Speaker, I would now like to speak to those sections of the act that are being amended. The specific sections.

In section 3 the amendment simply provides a transitional mechanism for applying the appropriate period of suspension to persons convicted of driving while disqualified under the old vehicles act. This amendment will be retroactive to November 1 of this year. Mr. Speaker, without this amendment, a conviction for driving while disqualified prior to November 1 cannot be considered, or used, to establish a suspension period. Because of the serious nature of the offence, and the fact that the offender is demonstrating contempt of the law, an amendment to correct the legislation is required.

Section 4 provides the necessary link between section 124(4) of The Vehicles Act, which is the offence section, and section 184, which provides a description of the fee provisions and the uses to which various classes of vehicles can be applied.

Section 5 simply clarifies the wording of section 165(1).

Section 6(1) is a refinement to the blood testing provision to better identify those persons who are qualified to take blood samples. This amendment arose out of the detailed discussions which were held between the Department of Highways and Transportation and the minister, and these following groups: Saskatchewan Health-Care Association, the Saskatchewan Registered Nurses Association, Saskatchewan Association of Laboratory Technicians, the Saskatchewan department of Justice, and the Highway Traffic Board – those taking place during the month of November, Mr. Speaker.

Mr. Speaker, you will recall that the minister delayed enactment of the blood sample provisions of the new vehicles act so that health professionals could become acquainted with the new law. As a result of this consultation process, it was recommended that combined certified technologists be allowed to take blood samples pursuant to section 168. In most hospitals in Saskatchewan, combined certified technologists are the persons who take blood for medical purposes. This amendment will facilitate the taking of blood for both medical purposes, and for section 168, by the same person.

Mr. Speaker, that concludes comments on the amendments before the Assembly regarding the new Vehicles Act. As I mentioned, they demonstrate the integrity, I suppose, of my hon. colleague towards providing this province with Canada's most progressive legislation of its kind. For that reason, Mr. Speaker, I move second reading of Bill No. 23 – An Act to amend The Vehicles Act, 1983.

**MR. LUSNEY:** — Thank you, Mr. Speaker. It's unfortunate that the minister isn't here. We've passed a number of his highway bills without him being in the House this past week. One of the interesting things about this bill: this bill's been around being studied for quite awhile, and now we have some amendments coming in just shortly after the bill was introduced. The ink is hardly dry on it, and they find that there are some amendments. Very likely there have been some problems with it since it's been introduced, which would necessitate the amendments.

I might add, also, that the minister, when he was putting this bill together, emphasized, more than anything else in the bill, the fact that they would be taking blood samples, and with talking to the medical profession and all the people that they say they talked to, they did not realize that they could have used laboratory technicians or X-ray technicians to take the blood samples at that time. So now they have to make an amendment to the bill. It's not one that I find any difficulty with. However, I think with just a little bit of, I suppose one could say, lack of interest on the part of the minister to go to the profession and really deal with the bill in a manner which would have made it a proper bill when it was first introduced.

We won't be opposing the bill at this time. I will have a couple of questions on the amendments in committee, and I'll be making my point then.

**MR. KATZMAN:** — Mr. Speaker, just on a couple of comments, if I may, on the bill. I think when the minister introduced the '83 Vehicles Act, he indicated he was consulting with the industry for the exact wording of the phraseology for the people who would take blood. That's what one of these amendments is, and the other one was a slight problem, and he admits it there, and he'll be in the House to carry his bill next week. That's all I'd like to say.

Motion agreed to and the bill ordered to a committee of the whole at the next sitting.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that Bill No. 21 – **An Act to provide Financial Assistance to Encourage and Promote the Development and Expansion of the Agricultural Industry and to establish the Agricultural Credit Corporation of Saskatchewan**

**MR. ENGEL:** — Thank you, Mr. Speaker. Last night, or yesterday before I took my seat, I started pointing out some of the areas of concern that we, as an opposition, had with the new act that the minister was introducing: Bill 21, an Agricultural Credit Corporation of =s Act.

When the minister presented this bill, he had a glorious opportunity, Mr. Speaker. He had a chance to build on the accomplishments and the achievements of FarmStart and to take another step forward for our province.

The point I made yesterday, Mr. Speaker, was that FarmStart had a good record. FarmStart was involved with close to 10 per cent of the people involved in farming in Saskatchewan. That's a tremendous record, Mr. Speaker. Five thousand farmers were involved in the program. It was helping, in particular, beginning and small farmers. Many would have never had a chance to borrow that money without FarmStart in place and yet, in light of the fact that FarmStart was making special loans that the banks or credit unions wouldn't touch, there was only about 7 per cent of these people were in arrears. Obviously these loans were of a high-risk nature. We took a chance with these farmers because we believed in people and we believed that small and beginning farmers should be helped.

Today I want to say that Saskatchewan is a better place to farm because of FarmStart, and I'm pleased to hear that the former minister of agriculture agrees with that. And I'm sure if he would have been introducing this bill, he wouldn't have done away with that act entirely. He would have built on it. But when did the problem with FarmStart arise? The minister stood up and he waved press releases and said that there's been such bad press about FarmStart. When did all this start? It started ever since those people across the way took office and since they formed the government. We had very little problem at surface before that.

The minister had a chance to build on a good record, and the p roof is that the minister has adopted some proposals that the NDP government had under consideration and I expect would have been approved in due course. But the minister chose the low road. He chose, instead, to take cheap political shots at FarmStart and the farmers who took part in this program. He said, and I quote:

FarmStart had been shown to be inadequate for the role, and this could be seen both by its performance record and many negative stories in the news media concerning loans to viable farming operations.

And then, Mr. Speaker, I want to draw an astounding sentence to your attention, from his news release yesterday. And he said: "Credit should be used to exploit success, not to reinforce failure." This is a statement from the Minister of Agriculture, talking to farmers across this province that were anticipating and looking with hope to some means of salvaging their operation. And he said: "Credit should be used to exploit success, not to reinforce failure."

The Minister of Agriculture has blackened the names of the 5,000 farmers that are in FarmStart and all those farmers across Saskatchewan, and particular in areas like Hudson Bay and different places in the province, that have been hurt by dire circumstances they've faced.

These farmers were looking for a chance to hang on. They were looking for an opportunity and for a piece of legislation where they could borrow some money to carry them through some dire times. But no, the minister say, "We're going to use credit to exploit success. We're going to bolster that farmer that already is doing good and has a good chance and doesn't need the money. We'll give members like that a little extra money to expand and make some money. We're not going to reinforce failure," is what the minister said.

Five thousand farmers enrolled in a loan with FarmStart are failures he said. And they only have 11 per cent arrears. That's a far, far better record than Farm Credit Corporation has, and you tied your other program to their record. They can't boast a 7 per cent arrears record; they can't boast three times that good a record. Only a handful of foreclosures and of bankruptcies have been involved over the years that FarmStart was in there.

What does the minister think of these farmers, Mr. Speaker? He said, "It (and he's talking about FarmStart) was not helping farmer who deserved assistance and it was getting farmers deeply into debt who couldn't afford to get into debt." The answer is very clear, Mr. Speaker. He didn't think those 5,000 farmers deserved assistance. He doesn't think they should be allowed to have a chance. For their own good, he thinks they are getting far too deep in debt.

The minister instead wants to help the big guy that's well off. He wants to help the guy that can afford to get into feedlots. Well, I've got news for him. I joined a little community project down at Limerick to get into a feedlot. I put up a couple of thousand dollars, and I signed and gave him some barley for a number of years. And what happened to that feedlot? A hundred of us couldn't make it go. It's one of the riskiest businesses around. It's more risky than manufacturing farm equipment; I can tell you that. We weren't as successful as Mr. Morris or Mr. Friggstad and some of those guys were. We lost our investment in it and that feedlot went under, in a time when we were selling them barley for 60 cents a bushel, Mr. Speaker.

I see the minister puts grants back into the bill after taking them out last spring. But there's a big difference between having a clause in a bill and having money in the budget – there's a big difference. And I challenge the minister to put the bucks up front and tell us how much the grant's going to be. In the old FarmStart program we knew what the grant was and you knew how much money was going to be involved. We don't have it here.

Several points need to be reviewed with respect to this bill, Mr. Speaker, and I'd like to summarize them. Number one, the many features of this bill that are taken from the FarmStart legislation. We can go through this bill and he has taken many good features out of it. The second point I want to talk about is the change in philosophy embodied in this bill. There's a change of direction and the farmer should know what that change is. Number three, this bill has some omissions and problems with the new direction charted in this bill. Number four, the question I want to expose is: what influence will this bill have on the total well-being of Saskatchewan agriculture?

So far, this legislation and this program has had a rocky road since this government took office last April. They apparently couldn't live with the competent manager who was running FarmStart, so they fired him. They have interfered with other competent staff. They've made it clear that they don't want problem accounts with their new loans. That means that they are prepared to help only those farmers who are in a position where they don't need help in this program. So they've eliminated the flexible payment approach and the interest subsidization plan that the NDP had in effect. Then they had the nerve to call the old program bad and to brag that their program is a bright, new dream.

This government, Mr. Speaker, is so vindictive that it still has to satisfy some inner urge to stamp out everything that they've found and put in their own packaged product. That sort of an attitude reflects a government and a group of people that doesn't know where it's going and is

not sure of what it's going to do.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ENGEL:** — Earlier I said I wanted to deal with three major positions in this bill. The first, Mr. Speaker, concerned the extent of which this bill is copied from FarmStart legislation. The Minister of Agriculture said yesterday that imitation is the sincerest form of flattery. Those are his words: "Imitation is the sincerest form of flattery." Well, in spite of his words about the bad old program, his adage certainly applies when you see how much of this bill is modelled exactly after the FarmStart act.

Well over three-fourths of Bill 21 is exactly the same as the old FarmStart act. Many of the changes are technical and have no bearing on the overall picture. The minister had an opportunity to be constructive and responsible. He could have said, "FarmStart has done a lot of good, but we have some more ideas that can be done and there are things that we would like to change." But, no, he said he had to scrap it; he couldn't do that. He had to take a cheap political shot at a FarmStart program, and he had to belittle and blacken and besmirch the good names of 5,000 farmers that have used FarmStart.

Agricultural credit is too important a subject to play around like that, Mr. Minister. The minister maybe thinks he's gained a few Brownie points, but Saskatchewan agriculture ends up being the big loser when this sort of thing is done.

The second point, Mr. Speaker, that I want to discuss, is the change in philosophy. The tone was set in the first place by the Minister of Agriculture. He is writing off the beginning and the small farmer who FarmStart helped, and calls him a failure. Let me repeat that. He is writing off the beginning and small farmer who FarmStart helped, and he's writing them off and calling them failures.

That's your basic philosophy. He has no use for the 5,000 farmers who used FarmStart. They aren't worth his time. His philosophy is, and I'm quoting: "Credit should be used to exploit success, not to reinforce failure." In other words, Mr. Speaker, the small farmer and the beginning farmer who doesn't have a big chunk of family resources and he can't prove he's successful won't have a chance under this new bill. He's not going to have a chance under this new bill.

When I look across the way and I see 25, 30 members how are going to be out of a job after the next election, they're not going to qualify under this bill unless we change it. They're not going to qualify.

And maybe the Minister of Agriculture won't find a place to practise, and he wants to get farming. He's lucky he's got a family that'll back him up. He's lucky he's got a family farming in one of the best constituencies in this province, because he'll be able to go back farming.

The Minister of Agriculture is going to help the successful farmer get even more successful, and have a n even bigger . . . (inaudible) . . . That change in philosophy is demonstrated in many ways, Mr. Speaker. For example, I'd suggest all the members of this House look at the purposes section in the agricultural incentives, or the FarmStart act, that was left out. Take a look at it. It reads:

The purposes of this act are to assist in the establishment and development of profitable farming operations in the province, and to stimulate the expansion of the livestock industry in the province by providing financial assistance to farmers to assist them in diversifying their farming operation.

That was spelled out in the old FarmStart act. The Agricultural Incentives Act. Let me read it again, the purposes of the FarmStart legislation. The Agricultural Incentives Act:

The purposes of this act are to assist in the establishment and development of profitable farm operations.

And he's against that. He said it was used to shore up failure. Even Bill 107, Mr. Speaker, introduced by this government last spring, left this clause in. Even the members opposite left this clause in, in their famous Bill 107. The clause proposed in Bill 107 read:

The purposes of this act are to assist in the establishment and development of profitable farming operations in Saskatchewan, and to stimulate the expansion of the livestock industry in Saskatchewan.

What was wrong with that clause, Mr. Speaker? It was good for the old bill. It was good in FarmStart. It was good in Bill 107. How come it's not good enough in the farm credit corporation act of Saskatchewan? How come it's not good enough for this bill? How come it's not good enough? What was wrong with the clause? It served a useful purpose in pointing a direction for the legislation.

The only reason I can think of why it isn't there is because this government has some other ideas about what it wants to do and what it wants to talk about with this new bill. They've got some other ideas, Mr. Speaker. Is the thrust going to be on big feeder operations now, as well as in irrigation? This bill provides for both of those.

The minister should know that there's no riskier operation than some of the feeder operations that have been tried. If you want to take a chance on them, I won't stand in his way, but if he's prepared to take a chance like that, why isn't he prepared to continue to do the same thing for the smaller and the beginning farmer?

The change in philosophy is also reflected in the increase in allowable off-farm income. Change it from \$18,000 a year to \$35,000 a year. Some increase in the figure could be justified, but \$35,000 is a lot of off-farm income if that person is to spend the time necessary to develop a sound farm operation. It really opens the door for people who don't meet the definition of a farmer.

And the third point I want to discuss, Mr. Speaker, is some of the problems I see in this bill and some of the things that are left out. After a lot of shilly-shallying, the minister finally left the grant section in the bill. He took it out. He put it in. Let's look at this. Why is this so important? The Conservative government stopped the FarmStart grants almost as soon as they took office. Then they said, we have nobody taking up the FarmStart amount and that's why we discontinued it in the budget. Then in Bill 107 last spring, they proposed to take the section out of the act. Now they've left it in. The minister's news release said, and I quote:

The amendment will enable the corporation to provide grants if the need arises in the future.

The amendment will enable the corporation that is the new Saskatchewan Agricultural Corporation to provide grants if the need arises.

These grants are important in helping to make many operations viable.

FarmStart was a success because the applicant came in with some drawing. He came in with a proposal; he said, I want to build a new chicken industry, or I want to build a hog operation. He knew what his grant was going to be. It was spelled out in exact terms. Not with these people. If you have intentions of putting in some grant money, show us a little money in the budget and tell us what it's going to be so the farmer can plan it. Get into your cabinet and use your influence to prove to us that agriculture is important. Use a little muscle. I don't think the minister has any muscle or has any input because he put the clause in but he didn't put any provisions in it. There's no money there.

They give the farmer more equity. The grant gave him more cash to establish his operation on a sound basis and that's why they had a success rate. That's why there was less than 7 per cent failure rate. For the province, it is an investment to help ensure good, sound, and stable farm operations in the future.

The government has also decided to do away with the advisory council. I wonder why they did that? This can be and has been a very useful body. It means the minister has someone other than management and the board to give advice. This sort of approach is important in our society as our society becomes more complex.

Finally, I want to touch on just how this program will fit into the total picture of agriculture in Saskatchewan. If the government's program results in more capital investment in agriculture, it will generally be thought of as a good program, but all of us have to bear in mind that more credit is only one part of the picture. If farmers don't get a decent price for increased production, they won't be able to pay off their loans. Orderly marketing, giving the farmer more bargaining strength, is essential. If costs continue to go up, the farmer won't be able to pay off his loans. Is the government going to do anything about that, Mr. Speaker?

If the cost of land continues to go up, and the farmer has to bear an even heavier burden on his land base, he won't have a viable operation. 8 per cent interest won't help very much, Mr. Speaker. That's why the expansion of provincial farm credit programs can be useful. They're only one part of the total picture, and there are traps for Saskatchewan agriculture that this government has not yet addressed. Thank you, Mr. Speaker.

**MR. LINGENFELTER:** — Mr. Speaker, I just want to add a few words to the record to point out for my constituents how disturbed and upset they are with the fact that a bill has come forward which, in effect, does a couple of things.

Mr. Speaker, it's fairly obvious that the grant program that was established by the New Democratic government between 1971 and '82 has, in effect, been done away with. I want to establish that and put it on the record — that the program that gave out grants to help young farmers get started is no longer there. There's good reason why it isn't written into the bill, and I hope that the minister, in ending the debate, will stand up and tell the Assembly, if there is any money in grant money, that he will outline how much a young farmer who wants to start a hog operation will, in fact, be able to get.

I defy him to stand up in this House and tell us some details about that grant program, because it's very obvious he has not intention for one reason, and that is, Mr. Speaker, that the minister does not have the capability and the thrust in cabinet to get money for the farmers of this province.

Mr. Speaker, what we see here is another typical banker's program that this government has so ably set up in a number of other areas. The farm purchase program in my constituency is a disaster. The amount of money that is actually going out to farmers in terms of subsidies on those loans is very, very minute when you compare it to the amount of money that was coming out while the program of FarmStart was in operation from our government; very little by comparison to the benefits that land bank people got from our government; is very little by comparison to the fuel subsidy that was in place under the previous government when times were tough, and farmers were facing a cost-price squeeze.

Mr. Speaker, this is another banker's program. What you have to do in this program, it's obvious, is prove you don't need the money, prove you don't need the money before you can get it. My colleague from Assiniboia-Gravelbourg has very ably outlined who this program will favour. It talks about establishing and giving money to people who are already in existence, who are already successful operators. Well this is a change in philosophy, Mr. Speaker, and is not one that

I readily agree with, because I think the role of government should be quite different. I think the role of a compassionate government, whether it's in the area of social programs, health, or agriculture, should be to support those people who are having a difficult time. It's fairly obvious that this minister does not have compassion when it comes to the young, starting farmers in Saskatchewan.

I believe that this minister will go down in the record books of Saskatchewan with one main theme, and that is that he was not only the minister who brought in this terrible legislation to do away with FarmStart, but also the minister who was in place in Saskatchewan on that dark day when the Crow rate was allowed to leave the province. Mr. Speaker, he will be the minister who will be labelled as the man who was against the farmers, the grain farmers of Saskatchewan, in dealing with this program, as well as it was with his stand on the Crow rate, which was absolutely nil.

There's a couple of other things that I want to relate to the minister before I take my seat. One of them is that we had hoped this program would have included a couple of things. One would have been the re-establishment of the grant program that his government froze and took away from the farmers.

Secondly, in talking to my farmers, they say the biggest problem they are having is with fuel prices, which this government, in the election campaign, promised to solve. The Alberta government, in a farm program similar to this, brought in a rebate program of 32 cents a gallon for diesel fuel and gasoline used in the production of grain and farm products. This government, Mr. Speaker, while it has hundreds of millions of dollars for oil companies, has no money for the farmers of Saskatchewan. The very few people who use the farm purchase program don't get much benefit, and they only represent about 1 per cent of the farmers of the province. The other 99 per cent get no benefit, have received no benefit, and they're wondering what this government is going to do, and when.

The other issue that I had hoped the minister would deal with is the purchase of farm machinery. We had hoped that this program would be expanded to include loans for the purchase of cultivators, tractors, and that sort of thing. It's my understanding, and I'll ask the minister to clarify that point when he rises – whether or not a person wanting to purchase a John Deere tractor to cultivate his fields, for example, will be able to use this program to purchase it. I say no, but I would allow and like the minister to stand and correct me.

One other thing that I believe that should be pointed out is what this program really does in its very limited form. We had a program that allowed for interest rates during the first years for around 7 per cent, at a time when interest rates, Mr. Speaker, were 20 per cent. The relief to farmers, Mr. Speaker, would vary between 8, 19, 15 per cent. I'll say that this program, which pays the difference between 8 per cent and 11 or 12, gives a benefit to farmers of 4 per cent. If this is the new Jerusalem that farmers were waiting for, I'll tell you they're going to be very disappointed in you, Mr. Minister.

I say that this bill is a black mark. Mr. Speaker, this is a black mark on this minister's record – that he would take up a very good program, FarmStart, and rather than expand it to include fuel rebates, to include a meaningful interest subsidy, to include farm machinery, to include chemicals, or some of those kinds of things that farmers are really up against the wall with – that this is a black mark on this minister's record. I defy him to stand and correct it, make amendments to this bill that will make it a meaningful bill for the farmers of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. HEPWORTH:** — Thank you, Mr. Speaker. It's a pleasure to close debate on this landmark legislation. I've been disappointed, quite frankly, in some of the comments we've heard come from opposition members, and I'm most disappointed, in fact, in the comments that

came from the hon. member from Assiniboia-Gravelbourg, whose constituency I farm in. In fact, I'm one of his constituents and quite frankly, Mr. Speaker, I don't like the way he's representing me, and I don't think the other 67,000 farmers like the way they're representing them out there.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. HEPWORTH:** — I farm in that . . . (inaudible interjection) . . . Mr. Speaker, the hon. member raises a point about having the . . .

**MR. SPEAKER:** — Order, please. It's impossible to hear what the minister is saying, and I would ask for some decorum.

**HON. MR. HEPWORTH:** — The hon. member, Mr. Speaker, raised the point, and he suggested . . .

**MR. SPEAKER:** — I'm going to caution the member for Assiniboia-Gravelbourg. I just asked for order, and you're back hollering again. And I would just caution you for the last time.

**HON. MR. HEPWORTH:** — Thank you, Mr. Speaker. The hon. member has raised the point about going back to the farmers' union, and the other day in debate he raised the issue that the headline had suggested that the NFU had hissed me. And I have no doubt, Mr. Speaker, that that was a typographical error in the paper, and it was probably meant to read "kissed me." I'm sure the hon. member was happy that I put out some press releases on this bill, because otherwise, as far as I can gather, he would have nothing to work off. It's evident from his comments that he's against success and in favour of failure and, of course, that's not inconsistent with other policies that we saw that government put in place. And I think of none other than their oil royalty structure, where they, in fact, rewarded failure. And today we've just heard about what rewarding success can do for this province.

It is very true, Mr. Speaker, that we do want to shore up success and, in fact, in the clientele that FarmStart has out there now, there are a good many, whom all members of this House know, a good many FarmStart clients who are doing an excellent job. Our point is, Mr. Speaker, with this new credit corporation there are just going to be a heck of a lot more people out there doing even a greater job in terms of developing the intensive side of agriculture.

Mr. Speaker, the hon. member, yesterday, in his comments, started out by saying, first of all, that all this bill was was a new cover on the old FarmStart act, just a new cover. As he went into the debate, he said, "And the minister tore it up." It's totally different new — another flip-flop. We don't know where they're coming from. One day they say it's just a new cover and it's just what we had in place, and today they say it's a totally new and different thing, and it's radical, and all the rest of it. They're like flying saucers. One minute they're here, the next minute they're there. We don't know where they're coming from, nor do we know where they're going, and, quite frankly, the people of Saskatchewan don't know, the farmers of Saskatchewan don't know, and they frankly don't care.

But let's look at the track record of FarmStart, Mr. Speaker. Let's look at the track record. What have we had in terms of the numbers helped? Grabbing the annual report 1977, number of clients that came on stream, number total loan and grant applications approved, 348. Sixty-seven thousand farmers out there, and they helped 348. And I even hate to mention what the budget was for administration to help 348. It generally, Mr. Speaker, has been running about a third of the total budget. And the hon. member in his remarks, Mr. Deputy Speaker, raised the farm fuel rebate program, and I would ask for the hon. member's attention, because he did raise it, and I would be happy to respond to it. The farm fuel rebate program.

So let's look at the farm fuel rebate program, Mr. Speaker. Let's look at the history of it. And I

asked for a historical survey of that program from my department, and they happily provided it for me. And guess what, Mr. Speaker? The farm cost reduction program, which was the farm fuel rebate program; interestingly enough, it coincides exactly with the 1974 and '78 elections. Imagine that. But be that such as it may, Mr. Speaker, it may be not a serious fault because, after all, they were trying to save their jobs – doing a poor job.

But let's look at what it really did for the farmers of Saskatchewan. And I was so happy, Mr. Speaker, because I've been waiting for a question in question period on it. I was so happy when the hon. member raised it in debate, so we could discuss it on the floor of the House. And here's what that program did for the farmers of Saskatchewan, Mr. Speaker, and by his own admission the member from Assiniboia-Gravelbourg said, "Fuel costs today are running \$1,000 a quarter on the farm." By his own admission. And here's their program: the average grants to farmers in 19767-77, \$89, Mr. Speaker. Now would that help a farmer facing fuel bills of \$1,000 a quarter, I ask you? Eighty-nine dollars . . . (inaudible interjection) . . . Certainly. I'll bring the legislature up-to-date with using more current numbers, as he suggested. 1981-82, the last year, average grant, \$272. Wow!

The hon. member says, "What is ours?" I'll tell you what our position is, Mr. Speaker. If we're going to help the farmers of Saskatchewan, we're going to do something meaningful – farm purchase program, agricultural credit corporation of Saskatchewan, where farmers . . . I read some letters into this Assembly's debate, the *Hansard*, a couple of weeks ago. Cheques for \$5,000, that's meaningful help, Mr. Speaker. And if those members over there hadn't put the Joe Clark government out of power, the farmers of Saskatchewan would not have had a 65 cent increase in their fuel costs. They vote consistently with the Liberals in Ottawa, and all that has meant is increased fuel costs for the farmers of Saskatchewan. That's all it's ever meant, Mr. Speaker.

And, Mr. Speaker, they like to brag about the track record of FarmStart. And as I said, the people out there who are making that FarmStart program work are doing a great job. But let's look at the record. I've already said in one year the uptake was 300 or 400 people out of 67,000. And the hon. member this morning said they helped 5,000; 10 per cent over a 10-year period. But what else happened during that 10-year period, Mr. Speaker? Five thousand farmers were helped with FarmStart, 10,000 census farms went down the tube; 10,000, 10,000, Mr. Speaker!

And then, Mr. Speaker, he raised the issue . . . in fact, both hon. members raised the issue of the famous grant. And in fact, provision is in legislation for grants if needed, if desired. But let's look at what that grant program was doing. It was nothing more than a stagnant piece of lineage in a policy program print-out. Nothing more. In 1974, when it was originally put in – and I might remind the members of the legislature, Mr. Speaker, that in all the years they had a grant program they never changed the dollar value of it; mind you, they choked the whole program like that; they never made it reflect what was happening out there – in 1974, Mr. Speaker, 71 per cent of the applications to FarmStart, the applicants did in fact get grants. But what about in '82? Thirty-one per cent. And in 1974 the grants equalled 31 per cent of their total expansion costs. In 1982 it was 13. The grant program had become absolutely meaningless. Absolutely meaningless. That whole program was verging on absolute meaninglessness. Because the uptake wasn't there, the eligibility requirements were too constrictive, the grant hadn't kept pace with, and reflected the needs of the farmers out there. Provision is in there, and if we need it, we'll use it, and we'll use it in a meaningful way.

But then again, Mr. Speaker, the hon. members across the way have talked about press, and the fact that they're not in favour of exploiting success, but rather in reinforcing failure and rewarding failure. And one has to only look at some of the press that FarmStart's had over the years. And certainly there are just all kinds of clients out there doing a great job.

But then you look at clippings such as ones referring to a case involving cattle producers through the winter. And Layne Hetland, FarmStart general manager, saying, and I quote:

When the case broke it rattled us to our teeth. It seemed like a pretty serious case and we questioned ourselves as to whether we were somehow responsible for it.

And then the hon. member this morning from Assiniboia-Gravelbourg, Mr. Speaker, suggested to the House that FarmStart's arrears record was better than Farm Credit Corporation. Well, I'd like to set you straight on that one. In fact, he used two different numbers, so I'm not so sure himself if he knew what the numbers were. The arrears record, Mr. Speaker, as reported occasionally by the past administration, was in the range of 6.4 per cent. On the surface that looks not all that bad. But the fact is, Mr. Speaker, the method that they were using to determine arrears was not at all consistent with what is used in the financial world out there. And, in fact, the arrears rate is something in the range of 11 per cent, which is what the hon. member referred to – at least in the first part of his remarks.

But the fact is, Mr. Speaker, as I said yesterday, in the Farm Credit Corporation's statistic report that was put out this past month or two, the arrears rate in Saskatchewan through Farm Credit in that report was 8.3 per cent, up one point, three point three seven per cent over last year. I'm glad the hon. members brought up that point about farm bankruptcies because I will want to spend some time on it as well.

And in Manitoba, Mr. Speaker, the arrears rate is 10 per cent, and that was up 3.2 per cent, and I would suggest, Mr. Speaker, the fundamental difference is the farm purchase program – the farm purchase program.

And then, Mr. Speaker, I hope the farmers of Saskatchewan heard this one and if they didn't, I'll make the point of telling them. The hon. member for Assiniboia-Gravelbourg came out against feedlots and feedlot operators and every young farmer out there who'd like to be interested and would like to feed cattle. They are against feedlots. They are against the farmers that want to operate those feedlots, and they're against the young people in rural Saskatchewan who want to work in those feedlots and have jobs in those feedlots. And that is absolutely disgraceful, Mr. Speaker. Absolutely disgraceful.

It was so interesting to note, in the 1980 annual report of FarmStart, the hon. member from Shaunavon opening up a rabbitry, and quite frankly, Mr. Speaker, I'm not against development of fur-bearing intensive agriculture in Saskatchewan. But I'll tell you what, Mr. Speaker, the people of Saskatchewan have some difficulty when you don't even put feedlots at least in the same category as rabbitries, don't even acknowledge the fact that they exist out there. And it's such a paradox, Mr. Speaker. We've got a beef stabilization program in place that was meant to help farmers and enhance the feeding industry, and yet it was never recognized properly through the FarmStart legislation.

But, Mr. Speaker, we've become accustomed to criticism from the opposition. They criticized the farm purchase program when it was put in place, and it's become a roaring success. They're going to criticize the agricultural credit corporation, and it's going to become a roaring success. And I can see, Mr. Speaker, quite frankly, why they are worried, because, Mr. Speaker, the thought of two glamour boys, the thought of two thoroughbred horses in the Tory stable, is devastating. They may never recover from it.

FarmStart – 300 and 400 people coming on stream a year. Farm purchase program – 1,800 people coming on stream every 10 months. And I think, Mr. Speaker, that agricultural credit corporation of Saskatchewan will enjoy the same kind of success rate. And, Mr. Speaker, we are putting our money where our mouth is. The agricultural credit corporation's maximum borrowing limit is going from 225 million to 500 million. The farmers of Saskatchewan will not be denied the program due to that kind of restraint, Mr. Speaker.

But it's not unexpected that they criticize, because they did it during the farm purchase program debate. He said in that debate, "It gives the minister sweeping powers." I said, "We needed the flexibility." And who proved out to be right, Mr. Speaker? We did. Because, Mr. Speaker, when the Farm Credit Corporation fund dried up, did we sit around and sop and moan in our milk, Mr. Speaker? No. We took the bull by the horns and got the program going again by including credit unions and banks as eligible lenders. Now, they called that, Mr. Speaker, sweeping powers. I called it flexibility, and it was much-needed flexibility as it turned out. And the farmers of Saskatchewan didn't wait one minute for the provision of that farm purchase program, because of that kind of flexibility. And yet they say, "We want to debate this in the legislature. We want to debate this in the legislature," Mr. Speaker. "We don't like that kind of sweeping power in regulation." Well, I knew what they had said in the legislature, Mr. Speaker, and if they had recalled what they'd said in the legislature, and I will quote the remarks of the Hon. Mr. Blakeney, December 8, '82, page 1492 of *Hansard* when he said:

It strikes me that it would not be difficult to make the same arrangements with the credit unions that you make with the farm credit corporation.

And he went on to further say:

We could include the banks but I think they're not really interested in this. I am sure the credit unions would be because . . . (etc., etc., etc.)

So there we have it. You were accusing us of being flexible and restrictive and all the rest of it and yet that was what was needed to keep that program on track and, quite frankly, we did not sit around and moan about the fact that the Farm Credit Corporation funds had dried up. We charged ahead, didn't point fingers at anybody, went straight ahead. The hon. member, as well, talked about bankruptcies, Mr. Speaker, and I think, as well, it might be worth pointing out just what the current situation is in Saskatchewan as it relates to bankruptcies. Mr. Speaker, in fact, in the latest figures I had went through till the end of October '83, Saskatchewan reported 36 bankruptcies, Mr. Speaker, which is up from the '82 numbers and, quite frankly, Mr. Speaker, I sympathize totally with any farmer out there who's going bankrupt.

But, Mr. Speaker, you've only got to compare Saskatchewan farmers' plight with the plight of farmers in other jurisdictions where they don't have things like the farm purchase program. For example, you look at Manitoba where it went from 30 to 47, Mr. Speaker – not 36 but 47. And, as well, Mr. Speaker, I think the figures speak for themselves that Saskatchewan farmers . . . And I empathize totally with anyone who is going bankrupt out there, but I can assure you, Mr. Speaker, that they're far better off here in Saskatchewan under a Tory government than they are anywhere else in the country.

I think, Mr. Speaker, what we have before the legislature here is a bill that creates an agricultural credit corporation of Saskatchewan, that is a much-needed vehicle in this province. It's a vehicle that can address farmers' desires out there who want to raise livestock, whether it be dairy or beef, breeding stock or feedlot, or swine operations, as well as the intensive side of agriculture as it relates to irrigation operations and others – a much-needed vehicle, Mr. Speaker.

We have seen how very realistic eligibility criterion have been as adopted and used in the farm purchase program. It is this government's view, Mr. Speaker, that those same kind of criterion can be used very, very successful to the benefit of many, many, many, many farmers out there in Saskatchewan who want to raise cattle or hogs or, in fact, get into irrigation development.

Mr. Speaker, I think the record will show, much as we predicted in this House roughly one year ago, that the success enjoyed by the farm purchase program will be the same kind of success that the agricultural credit corporation of Saskatchewan is going to enjoy.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to, the Bill read a second time and referred to a committee of the whole at the next sitting.

## **COMMITTEE OF THE WHOLE**

### **Bill No. 20 – An Act to amend The Potash Corporation of Saskatchewan Act**

#### **Clause 1**

**MR. CHAIRMAN:** — Would the minister introduce his officials?

**HON. MR. BERNTSON:** — Yes, Mr. Chairman. The staff that I have with me today, staff to the Potash Corporation of Saskatchewan, the minister responsible for the Potash Corporation of Saskatchewan, one Robert Andrew, Hon. Robert Andrew, member for Kindersley and Minister of Finance. The only reason I want that on the record is so that my questionably learned friend understands what the situation is. On my left we have Keith Barton, vice-president and general counsel to the Potash Corporation of Saskatchewan; on my right, Mr. Bill Avery, vice-president, finance, Potash Corporation of Saskatchewan.

And on item 1, Mr. Chairman, I will just point out briefly that the reason for this particular bill . . . (inaudible interjection) . . . You can do whatever you want when I'm finished. The reason for this particular bill, Mr. Chairman, is similar to the reasons expressed by the Hon. John Messer in 1979, I believe it was, at Sask Power when he said that he had some very, very expensive machinery sitting around that he should enter into a lease-back arrangement with. I point out that under the existing legislation, under the existing legislation, Mr. Chairman, you could sell out every potash mine in Saskatchewan without any amendments to that — in Saskatchewan without any amendments to that legislation. And to quote the Hon. John Messer of that day, aside from providing for this and cleaning up the language so it's more definitive, the lease-back arrangement, the remainder, could be construed as largely housekeeping.

**MR. KOSKIE:** — Thank you, Mr. Chairman. I want to make a few preliminary comments. I want to indicate, first of all, that we have some amendments to The Potash Corporation of Saskatchewan Act before us, and the minister is alluding to the fact that there should be no concern in respect to the amendments. And I think it's fair to say that one has to look at the philosophy of the Conservative Party in dealing with crown corporations.

I go back to the national leader which was the Prime Minister at one time, and one of the first things that he indicated that he was going to do was to get rid of Petro-Can. We have a national leader now, by the name of Brian Mulroney, which represents the national party, and he has been indicating that there will be a massive dismantling of crown corporations. And I want to say that the efforts of this government today in the support of crown corporation is not very evident to the people of Saskatchewan. I want to say that if one takes a look at SGI, and there are major concerns of the erosion, the erosion of the general insurance of that corporation, so much so, that the people of this province are writing to the response to the Premier asking him not to dismantle this great corporation.

And we have seen the general statements in respect to potash, just immediately after this government took office. And there were statements made by the Minister of Finance, who is now in charge of the potash corporation, and the direction that they imposed was one to curtail and destroy potash international which had developed an offshore expertise in the sale on behalf of the potash corporation. And what they did was to direct, without even an evaluation, direct it back into Canpotex, to be dominated by the private corporations. And so obviously, when we look at the amendments in this bill, Mr. Minister, we are concerned because the

evidence is clear that what you boys are doing is the rapid erosion of the strength of the Crown sector that had been built under the New Democratic Party during the 11 years of office.

I want to say that we have concern with two aspects. One is that it will lead to the dismantling of the corporation because you have indeed broadened the aspect under the terms under which you can, in fact, dispose of real or personal property, and you can do it when you feel that it's appropriate. And I want to say that having you on the other side, a right-wing Conservative government, making a decision as to when it's going to be appropriate, bothers a lot of people in this province.

So, first of all, it is an enforcing of its position to, in fact, enter into agreements which have been semi-announced, where the Premier of this province has indicated that he has made his tour to China and that he is intending, as the press indicated, to allow an equity position investment by the communists of China. That is precisely the direction which this government is heading.

The second aspect is the right to purchase, sale, and lease-back. One only has to look at the record of this government to know how the people of Saskatchewan are not represented when they enter into a purchase, sale, and lease-back arrangement.

I draw to the attention of this House one of the first deals that this government entered into, and that is in respect to a large dragline that was owned by the power corporation of Saskatchewan. We had purchased that dragline and you know what this government did? They entered into an agreement with Manalta Coal. They said, "Manalta Coal, you buy this from us, somewhere around \$45 million, and then we will lease it back from you." But they went further to their corporate friends. They said, "Manalta, not only can you purchase this dragline from us . . . You can purchase it but we're going to guarantee when you go and borrow the money to purchase it, the people of Saskatchewan are going to come forward and guarantee the money that you're borrowing in order to purchase this dragline." Now I don't think that has served the people of Saskatchewan very well.

The other aspect that I see in here is that this government has, in fact, made a direction to take the financial arrangements for the corporation out of the hands of the Minister of finance. One must ask: why is that happening? Why are you taking the powers of arranging all the financial affairs for the corporation from the Minister of Finance and giving it over to an agent? I guess there are a couple of explanations.

One explanation is that this government has lost confidence in their Minister of Finance. There's some reason to believe that that is the proper judgement, because in 18 months he has run this province into \$537 million of debt. There's another possible reason for diverting it from the Minister of Finance. What they're going to do is to round up their little agent and the pork barrel. The patronage is going to also enter into it, where you get someone like Boyd Robertson of the Royal Bank who held your hand all the way on your trip to London and back. And I think that the potential here is that you're going to pork barrel a considerable amount of funds to the agent representing you. The very crux of what is happening here, and I think the people of Saskatchewan will view it with disgust . . . And I think that the people of Saskatchewan have supported the development of the crown corporation and certainly they were very pleased, under our administration, at the success of the Potash Corporation of Saskatchewan.

I recall, in looking at the amount of profit in the last year, the Potash Corporation of Saskatchewan was \$141.7 million. Now, under the expertise management of the Tories, they, in fact, reduced that in one year to \$607,000. And if they hadn't fiddled around with the depreciation, there would have been a \$12 million deficit.

So basically what I want to ask the minister: can you, in fact, give us your assurance that the

potash corporation belongs to the people of Saskatchewan, that you will not, in fact, be entering into the sale or an equity share with the Chinese communists or any other group of people, be they Russians or Chinese or Bulgarians?

So, I'm asking you: can you give the assurance to the people of Saskatchewan that that very successful Potash Corporation of Saskatchewan will remain sacred and that the assets which it has, in fact, at the present time will not be disposed of, that it will operate as a crown corporation and will not be watered down through the joint venture in future expansions?

**HON. MR. BERNTSON:** — Mr. Chairman, the assurance that I'll give the member opposite is that we will do nothing that we didn't have the power to do under the legislation that was passed by this House in 1975 by the previous administration, except as it relates to providing for these sale and lease-back arrangements similar to — I might add, similar to, if not identical to — the ones advanced by your administration in 1975, carried through this House by the Hon. John Messer.

And in 1979, after that legislation was passed, you, in fact, sold a dragline for, I believe, it was \$32 million and entered into a lease-back arrangement. We intend to do nothing more than that. We intend to, in fact, through this . . . We, in fact, through this legislation, Mr. Speaker, intend to strengthen the crown corporations in this province by operating more efficiently at less cost and the lease-back arrangement provides us with the opportunity to operate more efficiently at less cost.

And the assurance . . . Well, my learned . . . My friend, my friend . . . I was going to say learned friend, but I'll just skip that. I'll just skip that.

Mr. Chairman, the other point that was raised by the member opposite was the matter of taking it out of the hands of cabinet or the Minister of Finance or whoever, and putting it in the hands of an agent. Well, the reason that is done, Mr. Chairman, is to provide for the ability of the vice-president of potash in charge of finance to enter into negotiations on these kind of lease-back arrangements that we're talking about. And I want to tell you, Mr. Chairman, that the idea isn't particularly original. It's not particularly original because here, on page 19, page 19 in 1979 legislation brought to this House by the hon. John Messer, that says:

The Lieutenant Governor in Council may appoint the Minister of Finance or any other person or persons to be the agent or agents of the corporation for the purpose of negotiating any loans under this section.

So we can't really claim authorship, Mr. Chairman. We just saw it as a good idea and we'll even give you credit for the good idea. That probably would serve our purposes here.

And the bottom line quite frankly, Mr. Chairman, is to strengthen the role of the crown corporations and, in fact, to run the corporation more efficiently.

**MR. KOSKIE:** — Mr. Chairman, I want to refer to the . . . ask the minister to elaborate on his last comment that what he is doing here is to improve the operation. I'd like you to elucidate on that aspect of your remarks.

**HON. MR. BERNTSON:** — Okay. The corporation would be able to borrow more cheaply than the province can borrow, by going into this sort of a lease-back arrangement and, in fact, the calculated saving is about a half a million dollars a year over the next 15 years.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, it's clear when you talk about savings of half a million dollars over the next 15 years that you have particular assets in mind. Would you advise the committee what assets you propose to sell and lease back?

**HON. MR. BERNTSON:** — Yes, the proposal is to sell and lease back nine Marietta mining machines.

**HON. MR. BLAKENEY:** — With respect to the proposal to sell and lease back the nine mining machines, I take it that they will be sold to a financial corporation in Canada who operates in that kind of financial transaction. You quote \$0.5 million a year saving to the Potash Corporation of Saskatchewan. Can you tell me what the loss will be to the provincial treasury or the federal Minister of Finance because of the lowered tax liability of the financial company to which you are going to sell?

**HON. MR. BERNTSON:** — Okay, the last part of your question. No, we haven't got a calculation of that. The first part of your question, A Canadian financial institution — there are, in fact, two Canadian financial institutions, specifically London Life and Royal Trust. And going back to your previous question one round ago, these machines have to do with phase 2 of Lanigan.

**HON. MR. BLAKENEY:** — These particular methods of financing are attractive to people like Royal Trust and London Life because they can claim capital cost allowance against them, and they can thereby reduce their tax liability. The question that I ask, obviously, is the tax liability, the amount of deduction, the amount of money they don't pay to the Crown provincial and the Crown dominion, exceed the \$500,000 that we're supposed to be saving? Where are we making these savings and at whose expense? And I suspect a fair amount of it is at the expense of your colleague, the Minister of Finance of Saskatchewan.

**HON. MR. BERNTSON:** — Well, you know, I don't intend to argue the point. We're making a saving of \$0.5 million to the Potash Corporation of Saskatchewan. As it relates to the calculation that you're asking for, I doubt that we would have access to that because we don't know, number one, how much business either of those companies are doing in Saskatchewan, number one; and number two, if we did, I'm not sure that we could make the calculation without knowing what their total business was to do the tax calculations, and I don't think we have access to that.

Clause 1 agreed to.

Clause 2 agreed to.

### Clause 3

**MR. KOSKIE:** — Yes, in respect to clause 3, Mr. Minister. Can you give us an explanation as to clause (1.1), I guess it is?

The corporation may . . . lease or otherwise dispose of any of its real or personal property whenever it considers it appropriate . . .

Before in the previous section it read, “you could dispose of it when it was no longer necessary for its purposes”, and now you have changed it to indicate “whenever it considers it appropriate to do so.” Is there any particular reason for that amendment?

**HON. MR. BERNTSON:** — Well, I understand it essentially means the same thing. It may “sell, lease or otherwise dispose of any property,” and on the other side on the proposed amendment, “sell, lease or otherwise dispose of any property.” They essentially mean the same thing and I don't quite understand what.

We can't really say. In the old act it said, “no longer necessary for its purposes.” Right? Now, we can't really say that these mining machines that we're talking about are no longer necessary for these purposes. Right? So we're saying it's appropriate to sell them, but since they're necessary, we're going to lease them back.

**MR. KOSKIE:** — But also, does it not, Mr. Minister, considerably give you a greater discretion herein respect to the disposition of either real or personal property? Because what it says before, you couldn't dispose of it unless you determine that it was no longer necessary for its purposes. And what you're saying now is "whenever it (the corporation) considers it appropriate to do so."

So there's no doubt what you have done is to expand the range under which there can be a disposition of real and personal property. You're not just dealing with the mining machines here because the section applies both to real and personal property, and obviously it extends and broadens the purview in respect to dealing with the real property.

**HON. MR. BERNTSON:** — I expect you could argue that. I would argue that at any time, under the existing legislation, we could argue that a particular mine was no longer necessary for its purposes, and sell that mine. We have no intention of doing that, but under the existing legislation that can happen now.

The legislation that we're proposing is simply to provide for the lease-back under the current situation where we can't really say that these machines are no longer necessary for our purposes, but to operate efficiently and save the half- million a year over the next 15 years, which I expect would be similar to the saving that was generated by the previous administration entering into the lease-back arrangement of \$32 million with the Sask Power dragline, and then leasing them back. Because we can't really declare them to be no longer necessary for our purposes.

**MR. KOSKIE:** — Mr. Minister, you have indicated the thrust of the need for the amendments, and you have used the example in respect to the particular personal property or the chattels that you are going to be purchase, sale and lease back, and what I'm asking you here: can you give any assurance to the House that in respect to the broadening of the powers under which this corporation can dispose — and that's what you've done here — you've broadened the powers of the corporation to dispose of real property. There's no doubt about it.

You've made it much easier to dispose of because only when it's appropriate . . . And who decides when it's appropriate? Before, it was limited; there's no doubt about it. You had to indicate that it was no longer necessary for its purposes. Hardly could you, if you wanted to sell off a mine, and if the mine was producing, and you're going to sell it to a private . . . the Chinese communists, say. If you're going to sell it to the Chinese communists, it would be very difficult under the previous section for you to argue that that mine is no longer necessary for his purposes. But if you wanted to say now, under the new section, all you have to say is "whenever it considers it appropriate to do so," you can sell it. And so let's not fool around. You have very much broadened the scope under which you can dispose of the real property — the sale of the mines.

What I ask you: can you give the assurance to the House that in respect to the Potash Corporation of Saskatchewan, its assets that it has, and in respect to the expansion that it has undertaken, can you assure that you will not be bringing in the participation of the communists from China, or from anywhere else, to take over and participate in the assets of our crown corporation? Can you give us that assurance.

**HON. MR. BERNTSON:** — I suppose, to answer your last question, the only real concern we ever had about the left-wing getting control of the potash industry in Saskatchewan was when you guys were sitting over here, and I think we've put that one to rest for some time.

As it relates to the question of the wording "appropriate to do so," it's purely a technical, legal question. In your legislation that you brought in in 1979, you're even more loose than that when you say: "where you may sell, lease or otherwise dispose of any of its property," period. And that's your Sask Power legislation. You can sell, lease, or otherwise dispose of any property. You don't even have to defend the fact as to whether it's appropriate or not. So, you know, you're

arguing an emotional argument on a technical question.

**MR. KOSKIE:** — I've just asked a very simple question, and I'd like to repeat it to the minister. Can he assure the House that, in fact, there are no plans to dispose of, either of the Potash Corporation of Saskatchewan, any of its assets, any of its . . . or sharing in an equity position the expansion of any of its mines? In other words, what I'm asking you is: can you give the assurance to the House today that you will not, in the future, be disposing in anyway, shape or form any of the assets that is presently held, or is undertaken in the development plans of expansion vis-à-vis Lanigan and other mines?

**HON. MR. BERNTSON:** — I will give the House the assurance that we will do nothing as it relates to disposal of real property that we couldn't do under previous legislation as passed in 1975 by you folks.

**MR. KOSKIE:** — Obviously, the minister is not prepared to give the assurance to the people of Saskatchewan that this right-wing, anti-crown corporation government is not, in fact, going to be selling off the assets which the people of Saskatchewan's own. That's an obvious conclusion. The minister will not stand here and give that assurance to the people of Saskatchewan, and accordingly we can take it as a conclusion that the amendments to this act have been introduced to, in fact, accommodate the thrust of the rumours and the announcements following the Premier's trip to communist china wherein the terms of the agreement were announced.

The terms of that agreement were outlined. They were asking the communists of China to come over and to take an equity position in the expansion of the Lanigan mine. The terms were that of the Chinese communists came here, into, and put in an equity investment in the Lanigan mine, the reports have indicated, Mr. Deputy premier, that for their equity investment the Chinese would enter into a long-term contract, that they would, in fact, get that potash at cost, plus a small administrative fee. Can the minister assure us that those reports of the participation of the communists of China into the expansion and an equity position in the Lanigan mine, can you indicate whether or not it is an intention of the government to proceed with that, and, in fact, whether or not the particular amendment here is to facilitate that?

**HON. MR. BERNTSON:** — Any question that arises as to negotiations with the Chinese, or with anyone else, will be looked upon on its own merits in the best possible business light, and that is the beginning and the end. I point out to the hon. member that while our Premier was in China he was not there on a philosophical refresher course. He was there seeking out markets. He was there developing trade relationships. He was there for many, many reasons, including the twinning of Jilin province with Saskatchewan.

I would also point out that the Chinese are negotiating as well with IMC. They are negotiating with your friends, the Government of Manitoba. And so far as I'm concerned, as far as I know, there has been no deal struck with any of them, and I'm not sure that there ever will be. I suppose the bottom line is you can argue your emotional point till the cows come home. What we're trying to do is put a technical amendment, through the House that will provide for the management of Sask Potash Corporation to operate it as efficiently and businesslike as possible. That's what we expect them to do. That's what they will do, forever and a day.

**MR. KOSKIE:** — I'm not going to continue to pursue this, because it's obvious and evident that what is going to happen is that there is, in fact, going to be a major dismantling of the . I predict that, within the year, that, in fact, some of the potash mines owned by the potash corporation, that there will, in fact, be agreements firmed up which will, in fact, divest some of the property held by the potash corporation into a joint venture. Presumably, from the facts that we have, it will be with the Chinese communists that this will, in fact, become a reality. All I am saying here today, and to the people of Saskatchewan, is that with the amendments that are going through here today that they had better be on guard, because

this Tory right-wing government, which consistently has a philosophy to undermine public investment in this province, or in anywhere in Canada, is undertaking a course which will, in fact, erode the significant contribution that the potash corporation made in Saskatchewan.

I want to say that we will be opposing this act because of the sinister and unadmitted intention of that right-wing Tory government to destroy the Potash Corporation of Saskatchewan.

**HON. MR. BERNTSON:** — Mr. Chairman, so that the hon. member can rest easy at night . . . I'm sure that he's the only man in Regina that goes to the football games, and he sees the Riders get into a huddle, and he just knows they are talking about him. He just knows they are talking about him. He just knows they are talking about him. He suffers from terminal paranoia, Mr. Chairman.

I want to, for the record, Mr. Chairman, point out that this request for this amendment came from the potash corporation and the potash board way back in January of '83, prior to any discussions ever taking place with the Chinese or anyone else . . . (inaudible interjection) . . . Well, it is a fact. Yes it is. Do you want me to read this into the record? Maybe what I should do is give it to the Riders, and next time they are in their huddle you can run down there and get in there with them. My final point on this, Mr. Chairman, is I predict that the prediction of the hon. member will be wrong.

Clause 3 agreed to.

Clause 4 agreed to.

#### Clause 5

**HON. MR. BLAKENEY:** — I'm not sure I understand the reason why you are taking away the authority of the Minister of Finance and wanting to give authority to someone else with respect to the negotiation of what is, after all, a relatively simple lease-back agreement, as you describe it, for known machines with known lenders. Two possible lenders for eight or nine, I believe you said, identified Marietta miner machines, allocated at Lanigan. Nothing very fancy about it. Why would you want to displace the authority of the Minister of Finance to deal with a transaction of that kind?

**HON. MR. BERNTSON:** — I'm sure the Leader of the Opposition knows that, under the finance act, the ultimate approval has to come from the Department of Finance in any case, and what this provides for is for the people with the expertise in negotiating lease-back arrangements have the ability to do that. And if you go to Finance, as I'm sure you did when you did the Sask Power lease-back thing, they say. "We don't know anything about lease-backs anyway, so get your experts to negotiate the deal and then come to use for final approval." And that's essentially what this is doing, because the finance act, as I understand it, supersedes everything else anyway. So the ultimate authority still has to come from the Department of Finance and the minister.

**MR. KOSKIE:** — Just in respect to the transfer of this power to an agent from the Minister of Finance, I'm wondering if the minister could advise us how we, as the opposition, then would be able to ask question and determine what this agent has been doing on behalf of the corporation. In other words, is it your intention, therefore, to make it a part of the crown corporation review and, as a consequence, any of these transactions, before we could be able to actually question, would be a delay of one year. And at the rate that you have been, and the efficiency with which, or lack of efficiency with which you have been administering the government, we could be waiting two or three years to get a hold of a report. And so what I'm really asking . . . I know that if the Minister of Finance is arranging the financial affairs on behalf of the potash corporation, that certainly we could come in here and directly ask the Minister of Finance. And what I want you to do is to indicate the way in which this information . . . Will it

come under the purview of the crown corporations report, or how do you view the way in which we can get that information?

**HON. MR. BERNTSON:** — I suppose it would happen the same way as it happens now with other crown corporations, specifically Sask Power, and I notice I've got the Sask Power legislation here in front of me, and I notice that the section dealing with those powers are virtually identical, and at crown corporations committee that we have access to the officials and the minister to question them relative to the concerns you have.

**MR. KOSKIE:** — Well, I just point out my fears in respect to this because, in the past, any question directed to a minister in charge of a crown corporation for the current year, that question could be directed in the House, and the particular minister would, in fact, answer during the course of the year.

Any questions relating to the previous year in which we have the report, the policy had been that you would ask those questions in crown corporations. My fear is that there is further cover-up here — cover-up and a delay of providing information. And I'll demonstrate it to you.

You have apparently made an appointment of a former deputy minister to the Premier, to Austria, (our best information) — Mr. Derek Bedson. And we asked in the House here the other day whether, in fact — and the appointment was confirmed — and we asked the Premier here the other day in respect, would he advise as to the salary of Mr. Bedson. He said the policy is that you can only get the answer from the crown corporation's committee.

And if that policy is adopted, then exactly what is happening, Mr. Deputy Premier, is that you're going to have a significant provision here to delay the transfer of vital information, and a cover-up for some of these deals which we consider, already, evidence of being rather patronage-ridden. The Manalta coal deal is one.

And if your record is to continue, certainly, to protect the people of Saskatchewan, we have to have, indeed, a method of getting this information and getting it immediately, not delayed, as is the case with your reports.

**HON. MR. BERNTSON:** — Mr. Chairman, I'm not sure if it's policy, or if it's tradition, because we learned a lot about now answering questions when we were sitting on that side of the House.

But as it relates — which has nothing to do with this debate because it relates to Mr. Bedson — whether or not the policy is that that shouldn't be answered except in crown corporations, I would be more than pleased if you were to raise that question in question period when I'm here. I'd be more than pleased to answer it because it would also give me an opportunity to talk about some of the great things that he's doing in Vienna, and Bulgaria, and Czechoslovakia, and a few another places where we're dealing with the communists. And you know, your rhetoric rings a little hollow from my experience in this House.

**HON. MR. BLAKENEY:** — Mr. Speaker, the member for Souris-Cannington will recall on many occasions, many questions in this House about the financing deal on drag-lines. You may look at your colleague, your present colleague (I can't quite recall whether he was your colleague at that time, or whether he was with another party), but the member for Thunder Creek — I will withdraw any remarks that he is your colleague; I'll just call him the member for Thunder Creek, if you appear to object to that — kept asking about the Chemical Bank transactions and many members will recall that, and answers were given. What I am asking now is: will answers be given in this House by the Minister of Finance, or by the minister in charge of the potash corporation, similarly, with respect to any lease-back deals you may make, as they have been with the power corporation, and as you were so quick to point out your legislation is apparently patterned upon?

**HON. MR. BERNTSON:** — I'm not sure that the discussion is even necessary, Mr. Chairman, because, as the Leader of the Opposition well knows, the tradition here is, and has been forever, that questions addressed to a minister will be answered by that minister if that minister feels it's appropriate to answer those questions, and those are governed by the rules of question period. And I suppose that the question — I mean, the guy's got nothing to hide — I don't know why he wouldn't answer them. But I can't speak for him. If you ask me the question and if I know, I'll tell you . . . (inaudible interjection) . . . It wasn't being hidden. You asked the wrong guy. You should ask the guy that knows . . . (inaudible) . . .

**AN HON. MEMBER:** — You weren't here. We can't ask the question.

**HON. MR. BERNTSON:** — I'm the guy that struck the deal. But I'll tell you what. I'll try and be here one out of every six weeks. The rest of the time I'll be out selling Saskatchewan.

Clause 5 agreed to.

Clause 6 agreed to.

The committee agreed to report the bill.

**MR. CHAIRMAN:** — I would like to thank the officials.

### **Bill No. 5 – An Act to Provide for the Taxation of Minerals**

#### **Clause 1**

**MR. CHAIRMAN:** — Would the minister introduce his officials.

**HON. MR. SCHOENHALS:** — Mr. Chairman, I'd like to introduce on my left, Wayne Brownlee, the assistant deputy minister in charge of finance and administration; on my right, Mr. Doug Patriquin, the assistant deputy minister of energy; and behind me, Ted Dybwad, the policy analyst responsible for coal; and Greg Blue, a solicitor from the Department of Justice.

**HON. MR. BLAKENEY:** — Mr. Chairman and Mr. Minister, this has to do with the general framework of the act. The general framework sets out some general provisions respecting mineral taxes — mineral production taxes, mineral rights taxes — and indicates that there will be schedules attached to the act with respect to some, or all, of the major minerals. We have a freehold coal production tax outlined in the first schedule. Am I right in thinking that the rates of taxation, the applicable rates in the case of coal — I'll take the coal example of an ad valorem tax of 7 per cent, or whatever you were proposing, and I think that that's the figure quoted — are to be set out in regulations? And if so, pursuant to what provision in the act? I'm not pushing the "pursuant to," but I want to see if I can understand the framework.

**HON. MR. SCHOENHALS:** — Mr. Chairman, the answer is that in each of the regulations it is optional. It may or it may not be in regulations, or it may or may not be in legislation. The intent is to structure the schedule so that it fits the needs and demands of that particular mineral. As you indicated, it will include all except oil, gas, and uranium, and the coal one has been submitted in part of this bill.

**HON. MR. BLAKENEY:** — Under what provision of the act will . . . Perhaps I'll rephrase that. Is it the intention of the government to apply an ad valorem tax, a given percentage of the market value of coal produced? Is it the intention to apply such a tax on freehold coal production, and if so, under what provision of the act are you going to do it?

**HON. MR. SCHOENHALS:** — The specific provision would be on page 22, item 7,

“Calculation.” From that the regulation would set out the percentage. I think that answers the question.

**HON. MR. BLAKENEY:** — I would favour 6, but I’m not quibbling. “Calculated and paid,” provided in this schedule in the regs in 6, and the calculation is going to be 7. But at any rate, it’s going to be pursuant to regulations, pursuant to regulations that are based upon that part of the schedule on page 22, headed “Tax.” All right, that’s good enough. With respect to your intention to apply an ad valorem tax on coal, would you restate that? I believe you indicated it in your remarks on second reading. Would you restate what you have in mind with respect to the taxation of coal?

**HON. MR. SCHOENHALS:** — The amount will be 7 per cent on freehold coal.

**HON. MR. BLAKENEY:** — This act does not apply to crown coal, or does it apply to crown coal?

**HON. MR. SCHOENHALS:** — The crown coal is covered under The Mineral Resources Act, and that stays in place.

**HON. MR. BLAKENEY:** — Then we are right in saying that this act deals exclusively with taxes of mines produced from mineral lands not owned by the Crown, but rather owned by other people. Nothing in this applies any tax to anybody who produces from crown minerals. Is that accurate?

**HON. MR. SCHOENHALS:** — Yes, that’s correct. It’s only freehold minerals, and in the specific point of coal the intent is to make it equitable, so there’s no difference between producing on one type of land or the other.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

#### Clause 4

**HON. MR. BLAKENEY:** — The present act applies a tax — I think it’s section 27 of the present act — applies a tax on mineral production in Saskatchewan, but attempts to do it on the value of the minerals in place, rather than the production. Perhaps it is dealt with elsewhere, but is there going to be a tax on minerals in place, as opposed to minerals which are produced? Thus, does this act deal only with the production of each scheduled mineral, or is there a provision of the act which applies a tax on mineral rights? When we come to part III, I will ask whether there is a mineral rights tax or a tax on those who own minerals, whether or not they’re producing from them.

**HON. MR. SCHOENHALS:** — There is a tax on mineral rights and on mineral production. The producing tract tax which was eliminated by your administration for potash, by ours for oil, has been eliminated for all of them.

Clause 4 agreed to.

Clause 5 agreed to.

#### Clause 6

**HON. MR. BLAKENEY:** — I was a little puzzled by this section. This appears to say that the following matters shall be dealt with in the schedule, enacted in respect of each mineral. Now that is a curious provision. Saying in section 6 that section 25 shall contain . . . Obviously, if we’re

going to enact the schedules, it doesn't matter what section 6 says about what should be in it. It's what we put in it, in the enactment, that counts. What is the purpose of section 6, which in effect simply says, "These are notes to the draftsman. You who draw the next schedule, please check all these things." What is the purpose of putting that sort of thin in an act?

**HON. MR. SCHOENHALS:** — I think the intent is to convey our intentions to industry, to commit the government to the fact that we will carry through in this manner. I think that's the intent.

**HON. MR. BLAKENEY:** — Fair enough. Thank you.

I'd like to revert back to section 6 for a moment. This has to do with 6(a); 6(a) allows the determination of persons who are liable to pay taxes. Is it the intention of the government to exclude or include persons . . . Is it the intention of the government to set up classes of people, some of who are liable to pay taxes, and some who are not?

**HON. MR. SCHOENHALS:** — Mr. Chairman, the answer would be no.

Clause 6 agreed to.

Clauses 7 and 8 agreed to.

The committee reported progress.

### **THIRD READINGS**

#### **Bill No. 20 – An Act to amend The Potash Corporation of Saskatchewan Act**

**HON. MR. McLEOD:** — Mr. Speaker, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

The Assembly adjourned at 1:02 p.m.